

MASTER SERVICES AGREEMENT

BETWEEN

**STATE OF VERMONT
DEPARTMENT OF VERMONT HEALTH ACCESS**

AND

CGI TECHNOLOGIES AND SOLUTIONS INC.

Effective Date: December 13, 2012

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MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT ("**MSA**") is made and entered into as of December 13, 2012 ("**Effective Date**"), by and between STATE OF VERMONT DEPARTMENT OF VERMONT HEALTH ACCESS, with offices at 312 Hurricane Lane, Williston, VT 05495 ("**SOV**" or "**State**"), and CGI TECHNOLOGIES AND SOLUTIONS INC., a Delaware corporation with offices at 11325 Random Hills Rd., Fairfax, VA 22030 ("**Supplier**"). SOV and/or Supplier may each be referred to as a "**party**" and collectively as "**parties**" for ease of reference throughout this MSA.

1. BACKGROUND.

1.1 **MSA Framework.** This MSA consists of general terms and conditions which apply to the relationship, govern the basic expectations of the parties and relate to specified categories of transactions which the parties anticipate based on current businesses, operations and planning. This MSA is intended as a framework for the consummation of separate implementing agreements for specific projects, tasks and categories of services, using forms of Statements of Work (as hereinafter defined).

1.2 **SOV Mission.** Through Vermont Health Connect, the mission of SOV is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan. Transformation of Vermont health services through the Health Services Enterprise ("**HSE**") consists of multiple projects, including (a) Health Services SOA Enterprise (HSE) Platform; (b) Integrated Eligibility ("**IE**") Application; (c) Health Benefit Exchange ("**HBE**") with Eligibility Automation Foundation ("**EAF**") functionality; and (d) a Medicaid Enterprise Solution (collectively, the "**Exchange**").

1.3 **SOV Objectives.** In order to support the mission outlined in Section 1.2, this MSA is intended to be the contractual mechanism by which SOV can obtain from Supplier: (i) high quality, cost-effective outsourcing services; (ii) a flexible relationship in which Supplier will be highly responsive to SOV's requirements and adaptable to changes in federal and state laws governing the management of insurance, technology, business methods, business functions, volumes of operations, new generations of technology and improved methods of monitoring, measuring and providing service; and (iii) an effective methodology for managing the relationship between Supplier and SOV and any other suppliers that may become part of the Exchange.

1.4 Deleted.

1.5 **Interpretation.** For ease of reference, the terms of this MSA are to be interpreted and construed in accordance with the following rules of construction:

- (a) References to this MSA shall be construed and deemed to include any and all Statements of Work, Exhibits and other attachments and documents referred to in any of the foregoing, unless otherwise specifically noted or the context clearly and unambiguously requires otherwise.

like when used in conjunction with any such discretion, judgment, approvals, consents or other assent or action shall, with respect to that particular provision, be construed and interpreted to mean that the party whose approval, consent, assent or action is required may withhold or refrain from giving same, at any time and for any reason, which decision and determination shall be conclusive and binding for all purposes.

- (j) Unless otherwise expressly provided in this MSA, rights and remedies hereunder are cumulatively reserved by each party and are in addition to and not in lieu of any and all other remedies available to either party at law, in equity or otherwise as provided hereunder.

1.6 No Drafting Presumption. The parties are sophisticated and have been represented by counsel during the negotiation and drafting of this MSA. As a result, the parties have agreed that no presumption of any Laws relating to the interpretation or meaning of contracts or clauses against the drafter shall apply, and each party hereby waives any such presumption.

2. DEFINITIONS. Capitalized terms used in this MSA not specifically defined in the text of the MSA or in its Exhibits or Statements of Work have the following meanings:

- (a) **"Affiliate"** means any Supplier entity or entities Controlling, Controlled by or under common Control with the Supplier.
- (b) **"BP Services"** means any and all business process services set forth on a Statement of Work, which may include finance and accounting, support and administration, reconciliation and processing, treasury management, account and transaction processing, records management, accounts payable, human resources, benefits administration, customer relationship management, supply chain logistics, inventory management, procurement, distribution, facilities management and any other service involving, related to or designated by SOV as a business process service, and all materials, information and/or deliverables related to or in support of any of the foregoing.
- (c) **"CC Services"** means any and all call center services set forth on a Statement of Work, which may include call center facilities, communications, telecommunications, devices and resources, equipment, software, switching, routing and other systems, customer, client and operational call center support services, management, consulting, training, help desk and any other call center services involving, related to or designated by SOV as a call center service, and all materials, information and/or deliverables related to or in support of any of the foregoing.
- (d) Reserved.
- (e) **"Control"** with regard to an entity means the legal, beneficial or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock (or other ownership interest, if not a corporation) of such entity ordinarily having voting rights, or effective control of the activities of such entity regardless of the percentage of ownership.

comparable items or services; and (iii) such standards and guidelines as the parties mutually agree apply to the Services involved.

- (j) **"Equipment"** means all hardware and tangible equipment, including computers, information processing units, servers, network facilities, controllers, routers, modems, communications and telecommunications equipment (voice, data, audio and video), cables, storage devices and media, printers, terminals, peripherals, input, output and transmission devices, and other tangible fixtures, mechanical and electronic equipment, whether owned or leased by or for the benefit of Supplier or SOV in connection with the Services or used by or for the benefit of Supplier to provide or support the provision of Services. Absent any specific reference to the contrary, the term "Equipment" shall refer to: (i) all or any portion of Equipment owned by SOV ("**SOV Equipment**"); and (ii) Equipment leased, rented or otherwise contracted from a third party ("**Third Party Equipment**"); and/or (iii) Equipment that is owned or controlled by Supplier ("**Supplier Equipment**").
- (k) **"Exhibit"** means any exhibit, schedule, attachment or other document attached to this MSA or executed by the parties at any time hereafter, including each Statement of Work hereunder, if such document states that it is an attachment or otherwise part of this MSA.
- (l) **"Final Acceptance"** will be defined in each applicable Statement of Work.
- (m) **"Facilities"** means the physical premises, locations and operations owned or leased by a party and from or through which the Supplier and/or its permitted contractors will provide any Services, whether or not specifically identified in a Statement of Work.
- (n) **"Information"** means all information, in any form and on any medium, now known or hereafter discovered or developed, furnished or made available directly or indirectly by or on behalf of one party to the other or otherwise obtained by or available to a party from any source as a result of or in connection with this MSA, including: (i) all information of a party to which the other and/or its permitted contractors has had or will have access, whether in oral, written, graphic or machine-readable form, including business or financial information, plans, strategies, forecasts, forecast assumptions, business practices and methods, marketing information and material, customer, supplier, and employee information, and all information concerning relationships with customers, suppliers and employees, proprietary ideas, concepts, know-how, methodologies, specifications, operations, processes and systems manuals, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research and all other information related to a party's past, present or future business activities or operations; (ii) all Work Product; (iii) all information of a third party, including customers and suppliers, and all notes, analyses, reports and studies prepared by or on behalf of either party, during the Term or anytime thereafter; and (iv) all information entered or to be entered into Software or Equipment by or on behalf of or in respect of a party, as well as information obtained or derived from this information, including any such information as stored in, accessed or transmitted through or processed by Equipment or Software.

supplies or Services provided to SOV, but not including Supplier's overhead costs, administrative expenses or other mark-ups.

- (t) **"Requirements"** means any and all Documentation, conditions, considerations and other criteria, terms and/or conditions that Supplier has agreed to provide, arrange or comply with in providing Services and otherwise performing Supplier's obligations as they relate to any Statement of Work, including all representations, warranties, Service Levels and other specifically identified requirements applicable to the Statement of Work, as well as all Documentation arising during the course of developing, implementing and performing Services and obligations in accordance with and as contemplated by the specific terms and conditions of this MSA, including but not limited to the Scope Assumptions as set forth in Exhibit E and the Appendix thereto.
- (u) **"Resources"** means any and all Facilities, Software, Equipment, personnel, Information and all other goods, services, materials, fixtures, tangible and intangible items, intellectual property, assets, licenses, rights and capabilities of either Supplier or SOV, regardless of the nature of the ownership, leasehold, licensing or the basis upon which any of the foregoing or the foregoing capabilities are available to such party.
- (v) **"Service Level"** means the specific level of performance Supplier is required to comply with and adhere to in providing the Services in conformity with the Requirements as set forth in each Statement of Work, consistent with the criteria and parameters specified in Exhibit D [Service Levels].
- (w) **"Services"** means, individually and collectively, the BP Services, CC Services, IT Services, as well as any and all other services, materials and items, tangible or intangible, now known or hereinafter developed or discovered, and which the parties include in Statements of Work, including development and design services, project and operations management, support and maintenance, consulting, training, facilities and resource management, engineering and application development and such other functions, processes and responsibilities as the parties agree upon and set forth in Statements of Work, all in furtherance of the delivery of the Exchange.
- (x) **"Software"** means the object code (and to the extent explicitly specified in a Statement of Work, source code) versions of applications programs, operating system software, licensing keys, network protocols and operating programs, computer software languages, utilities, other computer programs and related documentation, in whatever form or media, including the tangible media on which any of the foregoing are recorded, stored, transmitted and/or printed, together with all corrections, improvements, updates, derivative works, adaptations, versions, translations and releases thereof, which are used to provide or otherwise in support of the provision of the Services. Absent any specific reference to the contrary, the term "Software" shall refer to: (i) all or any portion of Software owned by SOV ("**SOV Software**"); (ii) Software used under license from a third party ("**Third Party Software**"); and/or (iii) Software that is owned or for which Supplier has an exclusive license ("**Supplier**

produced in connection with this MSA, whether as individual items or a combination of components and whether or not the Services or the intended Work Product itself are or is completed or the same are or is reduced to practice during the Term. References to Services in this MSA shall be deemed to include all Work Product unless specifically stated to the contrary or the context clearly requires otherwise. For the avoidance of doubt, Work Product shall not be deemed to include Supplier Intellectual Property, provided SOV shall be granted a license to any such Supplier Intellectual Property that is incorporated into Work Product as set forth in Section 15.7 below.

- (ee) **Other Definitions.** Any other terms not defined above are defined in the text of this MSA below, generally when the term is first referred to or used. Specific terms applicable to a particular Statement of Work and not defined in this MSA may be defined in the Statement of Work involved.

3. MASTER SERVICES AGREEMENT

3.1 General. This MSA contains the contractual terms and conditions for Services to be provided to SOV by Supplier pursuant to Statements of Work entered into by SOV and Supplier. Each Statement of Work shall be effective, incorporated into by reference and subject to all the provisions of this MSA, when mutually agreed upon and duly executed by the parties.

3.2 Interpretation and Precedence. This MSA is to be interpreted so that all of its provisions are given as full effect as possible. In the event of a conflict between or among any of the documents comprising this MSA, precedence shall be given first to the specific Statement of Work involved (provided however, that the following Sections of the body of this MSA cannot be amended except by an amendment to this MSA and no reference in a Statement of Work concerning any changes to such Sections, or any provisions therein in conflict with the provisions of such Sections shall have any effect: 3, 4.2, 6, 12.4, 15, 17, 20.3, 20.4, 21 - 28) and then to any Exhibits to such Statement of Work and second to the body of this MSA and any Exhibits to the body of this MSA; provided, however, that any amendment, modification or change to any term or condition of this MSA, which is, itself, included in any Statement of Work, shall be limited, restricted and effective, interpreted and construed to be of any force and effect only and solely with respect to that Statement of Work and the Services and terms and conditions hereunder applicable to said Statement of Work and the Services thereunder, even if the same or comparable Services are provided or performed on another Statement of Work.

3.3 No Implied Agreement; Non-Exclusivity.

- (a) Nothing in this MSA obligates SOV to enter into any Statement of Work with Supplier or requires Supplier to perform or provide any Services to SOV except to the extent that Supplier hereby commits to prepare good faith proposals for and offers to perform work as requested by SOV, at rates and on terms no less favorable than those set out herein.
- (b) SOV may request information, proposals, offers or competitive bids from third parties on any terms and conditions, determined by SOV in its sole discretion, whether the same, similar or different than the terms in this MSA.

achievement of any milestone on a Milestone Schedule (if transitioned or delivered in phases).

- (g) Specific information concerning development, timing and scope of any impact analysis, feasibility study or other inquiry or evaluation required by Supplier to determine whether and to what extent the proposed Services may affect SOV, the conduct or performance of any other Services furnished or to be furnished by Supplier or any other Statement of Work under this MSA;
- (h) the amounts payable by SOV in respect of the Statement of Work, whether fixed price, time and materials or any combination thereof, and any other amounts required hereunder, subject to and in accordance with the terms and conditions of this MSA (the "**Charges**"). Supplier acknowledges that most SOV purchases are not subject to federal or state sales or excise taxes and must be invoiced tax-free. An exemption certificate will be furnished upon request covering taxable items. Supplier agrees to pay all Vermont taxes which may be due as a result of this MSA or any Statement of Work. For ease of reference, the term "**Charges**" shall be used to refer, individually and collectively, to Charges, Pass-Through Expenses, and other amounts payable by SOV to Supplier pursuant to the terms and conditions of this MSA;
- (i) an identification of Supplier Personnel in Key Supplier Positions assigned to the performance of the Services in connection with the Statement of Work;
- (j) the security, disaster recovery, business continuity procedures, controls and associated Supplier Resources necessary to satisfy the Requirements described in this MSA which are applicable to the Statement of Work;
- (k) a detailed responsibility matrix that specifies Supplier Personnel roles and responsibilities in connection with the performance of the Services and completion of the Statement of Work in a timely manner, consistent with the Milestone Schedule set forth in the Statement of Work, as well as any SOV responsibilities, approvals or Resources which are required by Supplier and agreed by SOV to be necessary for the proper implementation and performance of the Services; and
- (l) If any Service set forth on a Statement of Work is a service, function, operation or activity which SOV or any SOV supplier (other than Supplier) is performing, conducting or providing and which will be transitioned or migrated from SOV (or a SOV supplier), the Statement of Work shall include a detailed, specific and itemized chronological transition and migration plan, including schedules, milestone and cutover dates, parallel and concurrent testing programs, overlap periods and all other charts, directions and descriptions ("**Migration Plan**") necessary for a seamless and efficient transfer, transition and migration to the Service contemplated by the Statement of Work, without interruption, disruption or degradation of service, functionality or operations or adverse effect of any kind on SOV, its personnel, suppliers, customers and/or clients; and
- (m) Such other provisions as are relevant to the provisions of the Services.

6. SERVICES.

6.1 Description of Services. Supplier agrees to provide and shall perform the Services described in this MSA and all Statements of Work in accordance with and subject to the terms and conditions set forth in this MSA, including in compliance with all applicable Laws, Data Security Standards and Insurance Industry Regulations. If any services, functions or responsibilities are not specifically described or included within the definition of "Services" hereunder, but are required for the proper performance of Services hereunder, they will be deemed to be implied by and included within the scope of the Services to the same extent as if specifically described in this MSA or each Statement of Work involved.

6.2 Service Delivery Mechanisms. Supplier acknowledges SOV operates in a business environment characterized by constant change, and the performance of Services may require the continued and dynamic setting of priorities based on changing business requirements, transactions and operations from time to time as may be communicated to Supplier by SOV (subject to any confidentiality and contractual restrictions by which SOV may be bound) at any time and from time to time during the Term, and necessitated by changes in the Insurance Industry Regulations or otherwise, but in all events subject to the Change Control Procedures. So long as Supplier meets all of its obligations under this MSA, including achieving the applicable Service Levels, and meeting the requirements of each Statement of Work, except as provided in a Statement of Work otherwise, Supplier shall have the right to change the Supplier Personnel used to perform Services hereunder. Notwithstanding the above, nothing herein shall be deemed to require Supplier to violate any Laws, and if, during the course of the Term, there is a change in Law that requires modifying, altering, eliminating, diminishing or otherwise making any substantive change to the Statement of Work, the provisions of Section 23.2(m) [Compliance with Laws] shall control.

6.3 Deleted.

6.4 Resources. Unless otherwise expressly provided in this MSA, all Resources required for the proper performance of Services by Supplier hereunder shall be under the control, management and supervision of Supplier and Supplier shall be responsible, at its sole cost and expense, for procuring, obtaining and making available, in proper and qualified, professional and high quality working and performing order, all such Resources.

6.5 Proposal Assistance. If at any time during the Term, SOV elects to request any bid, quote, information and/or proposal from one or more third party service providers for the provision of all or any part of the Services being provided by Supplier hereunder, Supplier shall cooperate with SOV by providing SOV reasonable access to relevant Supplier Personnel for the benefit of SOV in connection with SOV's request. Nothing herein shall be deemed to create an affirmative obligation on the part of Supplier to disclose any of its confidential information or to provide any such third party provider with access to Supplier's Facilities, if in Supplier's reasonable judgment in good faith, such third party provider is a competitor of Supplier. In the event that such third party provider is not a competitor, then Supplier's obligations pursuant to this Section are subject to the conditions that: (i) each such third party service provider agree, in writing, to reasonable security and confidentiality restrictions, generally in

agreed by SOV in writing, Supplier will not add an administrative fee or other markup to any third party Resources it procures on behalf of or for the benefit of SOV and the Services provided hereunder.

7. DEVELOPMENT, IMPLEMENTATION AND DOCUMENTATION.

7.1 Specifications. For each of the aspects and/or functional areas of the Services to be designed and/or delivered by Supplier under this MSA, Supplier shall develop, create and deliver to SOV, as applicable, detailed functional specifications for the Services required by each Statement of Work, (the "**Specifications**"). The scope and details of the Specifications, including, but not limited to, delivery times, approval processes, Milestone Schedule(s) and any Migration Plans shall be set forth in the applicable Statement of Work.

8. ACCEPTANCE.

8.1 Acceptance, Acceptance Testing and Acceptance Testing Procedures. The criteria for acceptance of all deliverables under this MSA ("**Acceptance**"), criteria for testing and determining Acceptance ("**Acceptance Testing**"), timing for resubmission in the event that any of the Acceptance Testing fails, and all other details related to Acceptance and Acceptance Testing, shall be set forth in the applicable Statement of Work.

9. THIRD PARTY COOPERATION

If SOV contracts with a third party to perform any service similar to or to enhance all or any portion of any of the Services, Supplier will cooperate with SOV and the third party, including provision of: (i) written Documentation so that any enhancements or developments may be operated by Supplier; (ii) commercially reasonable assistance and support services to such third party at the Charges specified in the applicable Statement of Work; and (iii) reasonable access to Supplier's Resources and Services operations as necessary for such third parties to perform their work; provided, however, that cooperation with third party auditors and benchmarkers shall be as otherwise set forth in this MSA. SOV shall use reasonable efforts to require such third parties to comply with Supplier's reasonable requirements regarding confidentiality, operations, standards, and security. Supplier shall support and maintain such third party work product, provided the service provider complies with any Documentation applicable to Supplier in respect of the Services involved. The cost, if any, of any incremental Resources necessary to accommodate such third party work and activity shall be borne by the third party service provider.

10. MAINTENANCE AND SUPPORT

10.1 Corrective Maintenance. Supplier shall immediately, upon discovery of same or upon electronic, telephonic or any other form of notice from SOV or any other entity, commence the correction of any errors, defects and problems which prevent any Services from performing or being provided in accordance with the Requirements. Supplier shall immediately notify SOV of the nature of the problem and steps being taken to resolve and correct same. A Problem Level Code, (as defined in Exhibit D) shall be assigned as described in Exhibit D to such problem and Supplier agrees to follow the Problem Resolution Activity Timetable applicable thereto and defined therein. If Supplier identifies more than one commercially reasonable and equally satisfactory method for

response to any failure, malfunction, defect or nonconformity in any Services, within one (1) hour, and shall apply on a continuous, dedicated basis all necessary Supplier Personnel and Resources to resolve the problem and restore Services to the requisite Service Levels, as soon as possible but in no event later than four (4) hours from the commencement of problem resolution activities. Supplier's activities shall be consistent with the Problem Level Code assigned in accordance with Exhibit D. If the problem cannot be satisfactorily resolved within said four (4) hour period and said problem may or actually does cause the Services to fail to meet the Service Levels (on an extrapolated basis, if applicable), then in addition to any Service Level Credits or other rights, obligations and activities required or permitted hereunder, Supplier shall immediately institute the Contingency Plans (as defined in Section 25.6 (d) [Force Majeure; Contingency Plans] applicable to the Services involved and maintain same in effect until the original problem is resolved and proper Service can be restored.

- (c) Supplier and SOV shall provide consultation, cooperation and technical advice and information to each other in order to assist in problem resolution and problem prevention efforts hereunder;
- (d) Supplier shall provide, on a best commercially reasonable efforts basis, any services SOV reasonably determines are necessary and related to the Services under any Statement of Work, to cause the Services to meet the Requirements and achieve or exceed the Service Levels (provided that nothing in this Section excuses any failure of Supplier to meet the Requirements and achieve or exceed the Service Levels); and/or
- (e) Supplier shall make available to SOV such other related, enhanced and/or customized services reasonably required by SOV, even if not covered by the Statement of Work involved (but within the general scope of the Statement of Work), in accordance with the Change Control Procedures, including any commercially reasonable Charges for same.

11. PERFORMANCE STANDARDS AND SERVICE LEVELS

11.1 Service Levels. In providing Services hereunder, Supplier shall meet or exceed the Service Levels applicable to each of the Services hereunder. Unless otherwise set forth in the applicable Statement of Work or Service Level Exhibit, Supplier's actual performance against the required Service Levels will be measured on a monthly basis.

11.2 Performance Standards.

- (a) If any of the Services hereunder does not have a specifically defined, designated or associated Service Level, Supplier shall perform such Service or obligation with a level of accuracy, quality, completeness, timeliness, and responsiveness that meets or exceeds: (i) the level of performance by SOV or any third party providing such services for SOV immediately before the applicable Statement of Work Effective Date (and/or if any such services also continue to be performed by or for SOV during any Statement of Work Term, any improvements therein); and (ii) the highest industry standards of other sophisticated outsourcing companies providing services similar to the Services, taking into

implementation of the procedure. Notwithstanding anything to the contrary, the parties agree that Supplier will not be responsible for the failure to perform the Service Levels under any Statement of Work as a result the failure of SOV to perform its obligations under this MSA or the applicable Statement of Work, the failure of SOV's software or systems provided, the acts and/or omissions of any third party vendors of SOV, or as otherwise set forth in the Statement of Work.

11.5 Adjustment to Service Levels. The parties will review the Service Levels at least bi-annually, or more frequently as either party may request. The parties may by mutual written agreement add to, delete or adjust the Service Levels, in whole or in part; provided, however, that in no event will SOV be obligated to agree to any additions, deletions or adjustments that it believes to be less advantageous than the Service Levels contained in any Statement of Work. The reasons for additions, deletions or adjustments to the Service Levels hereunder may include improved performance capabilities associated with advances in the technology and methods used to perform Services, or changes in SOV's business or technology environment, such as the implementation of a major initiative that changes the nature of the Services or any business process or operational improvements implemented or instituted by SOV or improvements in Supplier's Resources or operations; or other changes to the scope of work which render the achievement of the originally agreed upon Service Levels unreasonable or impractical.

12. EQUIPMENT AND FACILITIES

12.1 Equipment.

- (a) Except for Equipment specifically provided by SOV and specified in a Statement of Work, Supplier, itself or through its suppliers, will be solely responsible for procuring, maintaining and making available all Equipment necessary and/or appropriate to effectively and properly provide the Services. If specifically set forth in a Statement of Work, SOV shall make available SOV Resources, that will continue to be owned or leased by or for SOV, then Supplier shall: (i) use the SOV Resources solely and exclusively to provide Services and Supplier shall not use SOV Resources to provide any goods, services, information, material or resources to or for the benefit of any third party; (ii) comply with any directions from SOV concerning the location, use and disposition of SOV Resources; (iii) upon SOV's written request, provide, or arrange for third parties to provide, maintenance of and necessary support for the SOV Resources equal or superior to that provided prior to the Statement of Work Effective Date, at the same or lower cost; and (iv) if applicable, return such SOV Resources to SOV's possession, custody and control at a SOV designated location, upon the expiration or termination of the applicable Statement of Work, in the same condition it was in on the Statement of Work Effective Date or such other date such SOV Resources were initially made available to Supplier, if later, in each case ordinary and reasonable wear and tear excepted.
- (b) If specified in a Statement of Work, SOV shall assign, and Supplier shall assume, all of SOV's obligations under leases for Equipment used to provide Services in such Statement of Work or SOV may sell Equipment

have access (e.g., email or Supplier file servers) therefrom. The cost of building out the segregated and partitioned SOV areas of Supplier's Facilities will be borne by Supplier.

12.4 SOV Facilities. If and to the extent specified on the Statement of Work, during the Statement of Work Term, SOV shall make available to Supplier space in any SOV facility applicable to the Services and Statement of Work involved ("**SOV Facility**"), subject to the conditions that Supplier: (i) shall only use such space solely and exclusively for and in support of the Services; (ii) shall not use SOV Facilities to provide goods or services to or for the benefit of any third party; (iii) shall comply with the leases, security, use and rules and agreements applicable to the SOV Facilities; (iv) shall not use SOV Facilities for any unlawful purpose; (v) shall comply with all policies and procedures governing access to and use of SOV Facilities that are provided to Supplier in writing; (vi) instruct Supplier Personnel not to photograph or record, duplicate, disclose, transmit or communicate any SOV Information or any other information, materials, data or other items, tangible or intangible, obtained or available as a result of permitted use of SOV Facilities; and (vii) return such space to SOV in the same condition it was in on the Statement of Work Effective Date, ordinary wear and tear excepted. SOV Facilities will be made available to Supplier on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

13. SUPPLIER PERSONNEL.

13.1 Qualifications; Personnel Security; Continuity.

- (a) Supplier will perform and support the Services consistent with the Requirements. Supplier Personnel will be properly educated, trained and qualified for the Services they are to perform and Supplier will put appropriate training in place to meet initial and on-going training requirements of Supplier Personnel assigned to perform Services.
- (b) Supplier shall be responsible, at its own cost and expense, for any and all recruitment, hiring, Supplier-specific training, education and orientation for all Supplier Personnel assigned or to be assigned to perform Services or support the Requirements, including any costs and expenses to smoothly and successfully transition or migrate Services to Supplier in a timely and efficient manner, if and as specified in the Statement of Work. The Charges for SOV program-specific training will be set forth in the Statement of Work.
- (c) Except as otherwise agreed in a Statement of Work, all Supplier Personnel, in addition to any Supplier security policies and procedures, shall be required to comply with the security requirements in this MSA and SOV's Security Policies, as set forth in Exhibit F, as such policies may be modified, amended or replaced from time to time. Supplier Personnel in a position to obtain or have access to SOV Information shall be subject to the background checks set forth in Exhibit F-1.
- (d) All Supplier employees providing or assigned to provide Services or otherwise in a position to obtain or have access to SOV Information, shall be required to execute the Member Commitment Form attached as Exhibit B, and all other Supplier Personnel providing or assigned to provide

- (b) Supplier will designate an individual to serve as the "**Supplier Account Manager**" who will: (i) be a senior employee within Supplier's organization, with the information, authority and resources available to cause Supplier to properly discharge its responsibilities to SOV required hereunder (including all then current Statements of Work); (ii) serve as primary interface and the single-point of accountability and responsibility for the relationship between the parties; (iii) have responsibility for SOV customer satisfaction and authority to manage resolution of issues raised by SOV; (iv) devote all appropriate efforts to managing and coordinating the Services (and the parties on the Effective Date estimate this will require approximately one quarter dedication); and (v) periodically visit Supplier's Facilities, or SOV's Facilities or such other appropriate location as reasonably requested by SOV.
- (c) Supplier will under each Statement of Work designate an individual to serve as the "**Supplier Statement of Work Project Manager**" who will: (i) be a senior employee within Supplier's organization, with the information, authority and resources available to properly discharge the responsibilities required hereunder; (ii) serve as primary interface and the single-point of accountability and responsibility for the provision of Services by Supplier; (iii) have day-to-day responsibility for, and authority to manage, SOV customer satisfaction; (iv) devote full time and dedicated efforts to managing and coordinating the Services; and (v) be located at Supplier's Facilities, or SOV's Facilities or such other appropriate location as Supplier and SOV may mutually agree.

13.3 Personnel Assigned to SOV Account.

- (a) SOV and Supplier both agree it is in their best interests to maintain the continuity of Supplier Personnel performing the Services. Accordingly, Supplier will provide SOV with data concerning the turnover rate of Supplier Personnel under this MSA (including the turnover rate applicable to staff holding 'middle-management' positions and other separate categories reasonably requested by SOV), meet with SOV to discuss the reasons for, and impact of, staff turnover and otherwise keep and/or restore such turnover rate to a level commercially reasonable in light of the geographic locations of the Services and the nature of the Services being performed, as may be further described in the applicable Statement of Work. If appropriate, Supplier will submit to SOV its proposals for reducing the turnover rate, and the parties will mutually agree on a program to bring the turnover rate to acceptable levels.

that Statement of Work at the Charges applicable to that individual based upon the rates applicable under that Statement of Work.

13.6 Non-Solicitation. Except as specifically set forth in this MSA or otherwise agreed to by the parties in writing and subject to 3 V.S.A. §312, during and for a period of one (1) year after the later of the expiration or termination of the Term or any Statement of Work Term, SOV shall not directly solicit, recruit, hire, retain or engage the services of any of Supplier's personnel, without the express prior written consent Supplier. If any of Supplier's personnel choose to apply for employment with SOV, SOV will consider the candidate in the same manner it evaluates any applicant, and can freely hire Supplier's personnel, consistent with applicable law.

14. THIRD PARTY CONTRACTS.

14.1 Third Party Contracts – SOV.

- (a) Each Statement of Work shall provide for the treatment of all agreements between SOV and a third party, pursuant to which the third party is providing to SOV any services, products, information or materials included within the Services ("**Third Party Service Contracts**") and Third Party Software licenses (collectively, "**Third Party Contracts**") as may be mutually negotiated and agreed by the parties, as follows: (i) all or certain of the Third Party Contracts may be assigned by SOV to Supplier, subject to Supplier obtaining all applicable approvals, consents and releases in favor of SOV with respect to obligations arising under such Third Party Contracts on and after the applicable Statement of Work Effective Date ("**Required Consents**"); (ii) all or certain of the Third Party Contracts may be retained by SOV and, as necessary, any Required Consents shall be obtained by Supplier with such reasonable assistance from SOV as is requested by Supplier, or may be terminated by SOV at SOV's cost, as specified in the Statement of Work; and/or (iii) the respective financial, operational, administrative and other obligations of the parties with respect to the Third Party Contracts shall be set forth in the Statement of Work.
- (b) If Supplier requests that SOV assign a Third Party Contract, and SOV agrees to such request, then on and after the applicable Statement of Work Effective Date (and after supplier has obtained the applicable Required Consent), Supplier shall fulfill all of the payment and other obligations under such Third Party Contract subsequent to the assignment to Supplier. If any Required Consent cannot be obtained, Supplier shall not be responsible for any financial obligations under such Third Party Contract, in which case Supplier shall identify and adopt, at its expense, subject to SOV's prior written approval, such alternative approaches as are necessary to provide the Services without such Required Consent.
- (c) On or before the applicable Statement of Work Effective Date, in the event a Statement of Work requires Supplier to assume any Third Party Contract, and Supplier, with SOV's assistance, shall seek to obtain from each third party to a Third Party Contract existing on the applicable Statement of Work Effective Date: (i) any consents, approvals and/or waivers by such third party as may be required for the assignment to and

15. INTELLECTUAL PROPERTY RIGHTS.

15.1 Software; Escrow. Unless otherwise specified in a Statement of Work, and subject to the provisions of Section 14.2 [Third Party Contracts – Supplier], Supplier will be responsible for providing all Software necessary to provide the Services. SOV will arrange to provide access and/or licenses for Supplier to use any SOV Software necessary for the performance of Services, whereupon, unless otherwise specifically set forth on the Statement of Work, Supplier shall be responsible for all costs, license, support and other fees applicable to such access, license, use and the operation thereof. Supplier agrees to deposit and continually update, pursuant to the provisions of the Escrow Services Agreement to be attached as Exhibit C-1 upon execution of a Statement of Work requiring such deposit, a copy of all Supplier Software listed in the applicable Statement of Work. A copy of applicable Third Party Software listed in the applicable Statement of Work that is used, provided, accessed or otherwise applicable to any and all Services provided hereunder, whether licensed, owned by Supplier or any other third party, which shall include all related Documentation, shall also be deposited and continually updated pursuant to the provisions of the escrow agreements maintained between Supplier and the escrow agent for such Third Party, for the benefit of SOV, and each such escrow agreement shall be attached as Exhibit C-1. Supplier understands and agrees that SOV shall be granted access to such Software and Documentation deposited with the escrow agent subject to the conditions governing the release of escrow materials, as provided in the Escrow Services Agreement. Such conditions of release for any Supplier Software shall be deemed to include, but not be limited to, the failure of Supplier to continue to support and maintain the Software or for any other breach of this MSA or any applicable Statement of Work that contains the development and/or provision by Supplier of Supplier Software. Such conditions of release for Third Party Software shall be those conditions the parties are able to negotiate collaboratively with each such Third Party. While the Escrow Services Agreement shall be subject to potential modifications in its finalization and execution with the chosen escrow agent, upon execution of this MSA, Supplier agrees that the terms of release set forth therein shall be binding and not subject to modification, except as expressly agreed to by SOV.

15.2 New Software. Any new Software to be used in connection with Services after the Statement of Work Effective Date shall only be added to the Statement of Work using the Change Control Procedures and shall be subject to the terms and conditions applicable to such Software as set forth herein or as may be otherwise mutually agreed in the Change Control Procedures.

15.3 SOV Software and Intellectual Property. Each Statement of Work shall identify any SOV Software that Supplier will be authorized to use to perform the Services and effective as of the applicable Statement of Work Effective Date and subject to any additional restrictions contained therein, Supplier will have a limited license, during that Statement of Work Term, to use and access the identified SOV Software; provided, however, that under no circumstances shall Supplier access or use any SOV Software for any purpose other than the performance of Services or in support of Supplier's obligations to SOV under this MSA. Supplier shall discontinue and cease use of such SOV Software upon completion, expiration or termination of the Statement of Work.

licensed by Supplier on behalf of and for the benefit of SOV, under the same conditions and restrictions as SOV Software noted above, for use in connection with the provision of the Services; provided, however, the Statement of Work shall include any additional restrictions or terms and conditions applicable to such Third Party Software, including such duties, use and confidentiality obligations imposed on SOV under the licenses for such Third Party Software. All licenses for Third Party Software are subject to prior SOV approval. Unless otherwise specified in a Statement of Work, Supplier will assume operational and financial responsibility for such Third Party Software and any related maintenance obligations during the applicable Statement of Work Term, to the same extent as if Supplier were the licensee of such Third Party Software. Unless otherwise specified in a Statement of Work, Supplier will pay such third party licensors directly, or reimburse SOV upon receipt of invoices therefor, for all license fees, royalties, use, support and other charges and amounts due under such Third Party Software licenses commencing upon the Statement of Work Effective Date and continuing throughout the Statement of Work Term. Supplier will cease use of such Third Party Software upon expiration or termination of the applicable Statement of Work. Subject to the indemnification procedures set forth in Section 24.6, Supplier agrees to defend, indemnify, and hold SOV and its respective officers, directors, employees, suppliers, customers, successors and permitted assigns, harmless from and against any and all actual or alleged Losses in connection with any claim or action relating to or arising out of Supplier's breach or failure to comply with its obligations to SOV or to the owner or licensor of said Third Party Software.

15.5 Supplier Software. Each Statement of Work will identify any Supplier Software that will be used to provide Services and in all respects, Supplier will be responsible for such Supplier Software. Supplier shall not use any Supplier Software to provide Services that is not set forth in a Statement of Work or added thereafter through the Change Control Procedures. Supplier shall install, operate, update and maintain, at its expense, all Supplier Software used in connection with the Services. Supplier shall not use any Supplier Software to provide Services that is not available to SOV on reasonable commercial terms in the marketplace unless SOV's written approval, which may be withheld in SOV's sole discretion, is obtained in advance. As of the applicable Statement of Work Effective Date and continuing until the expiration of the Statement of Work, Supplier grants to SOV and its suppliers, a limited, revocable, worldwide, royalty free, non-exclusive right and license (or such other equivalent or comparable rights required) to access and use all Supplier Software solely in connection with, and to the extent necessary to receive the Services specifically set forth in the Statement of Work. Except for the limited rights and licenses as are granted to Supplier in connection with the Services as specified in this MSA, Supplier shall retain all right, title and interest in and to its Information, Resources, Supplier Software, Supplier intellectual property and derivatives thereof (as that term is defined under U.S. copyright law, Title 17 U.S.C.), and all other rights, tangible or intangible ("**Supplier Intellectual Property**"). Upon expiration or termination of this MSA or any applicable Statement of Work for any reason, (except as otherwise set forth in the Statement of Work or another document agreed to by the parties) all such licenses granted to SOV in connection therewith shall immediately terminate without further notice required, and SOV shall return all Supplier Intellectual Property and all copies and SOV shall have no further right or license to such

15.7 Supplier Property. Nothing in this MSA shall be construed to transfer, convey, restrict, impair or deprive Supplier of any of its ownership or proprietary rights or interest in any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements, computer processes, specifications, operating instructions, notes, and any other documentation (whether or not patentable) created by Supplier prior to or, other than Work Product, during the provision of the Services and the delivery of Work Product or which has been independently developed by Supplier without use of or reference to any SOV Information (hereinafter, "**Supplier Property**"). With respect to any Supplier Property that is incorporated into any Work Product ("**Embedded Supplier Property**"), Supplier will provide the same to SOV as part of the Work Product and hereby grants to SOV a non-exclusive, perpetual, irrevocable, royalty-free, worldwide right and license to use, copy, distribute, and otherwise use and exploit such Embedded Supplier Property solely in connection with the exploitation by SOV of the Work Product. SOV shall have the right and license to (i) enhance, modify and/or adapt any such Embedded Supplier Property and its associated Documentation; (ii) create and use derivative works of such Embedded Supplier Property within the scope of the license granted; and (iii) use and combine such Embedded Supplier Property with other products and/or materials, in each case including the right to sublicense the same for SOV's business purposes. In the event of any termination of this MSA (other than as a result of a material breach of this MSA by SOV), SOV shall, effective as of the date of such termination, continue to have a license to use any such Embedded Supplier Property and other items related thereto under the terms of this Section 15.7, without further charge or fee, but otherwise subject to and in accordance with the license granted to SOV.

15.8 Residual Knowledge. Nothing contained in this MSA shall restrict either party from the use of general ideas, concepts, know-how, methodologies, processes, technologies, algorithms or techniques retained in the undocumented mental impressions of such party's personnel relating to the Services which either party, individually or jointly, develops or discloses under this MSA or any Statement of Work ("**Residual Knowledge**"); subject to the condition that in or by doing so such party does not infringe the intellectual property or other proprietary rights of the other party or any third parties, does not violate any Laws or breach any obligation, including any confidentiality obligation under this MSA.

16. CONTRACT AND PROJECT MANAGEMENT.

16.1 Meetings. The types, frequency and mutual responsibilities of the parties with respect to the manner in which they conduct meetings during the Term shall be set forth in the applicable Statement of Work.

16.2 Reports. Supplier shall provide SOV with periodic reports as described in the applicable Statement of Work (hereinafter, each a "**Report**") and hereby warrants that the information provided in such Reports shall be true and accurate at the time that it is provided, and that Supplier will act reasonably in accordance with the information provided in such Reports.

16.3 Subcontracting.

omissions of such subcontractor or any other contractor that may subsequently perform such Services.

16.4 Quality Assurance and Improvement Supplier will provide quality assurance and continuous quality improvement through: (i) identification and application of proven techniques and tools from other accounts under its control or supervision (i.e., "best practices"); (ii) the use and application of products, processes and procedures, such as, by way of example, only: CMM for Software and eSCM models, Six-Sigma processes, ISO 900-2000 standards and COPC guidelines; and (iii) implementation of concrete programs, practices and measures approved by SOV in writing. Supplier shall provide SOV with detailed documentation describing its quality assurance processes, tools, methodologies, procedures and protocols to be implemented and adhered to in connection with the Services, and once approved by SOV shall be included as part of the Requirements applicable to the Services associated with said quality assurance and quality improvement.

16.5 Customer Satisfaction Survey. Supplier shall conduct a customer satisfaction survey for SOV designated end-users of the Services, unless SOV opts to forego any such survey as provided more fully in the applicable Statement of Work. The scope, timing, format and content of such survey and the procedures by which each such survey will be conducted and administered shall be set forth in the Statement of Work or in accordance with the Change Control Procedures, and therefore, subject to SOV's prior written approval.

16.6 Training. Each of the parties shall notify the other of their respective training policies and procedures and, at least once per year during the Statement of Work Term or any time upon SOV's request, Supplier will provide SOV with a copy of all documentation applicable to Supplier's training program, including training manuals and documentation. Supplier, upon request, shall provide such training to a reasonable number of individuals designated by SOV, to enable SOV personnel to understand the operations of the Services, at a minimum, to train SOV personnel involved in supervising or assisting in the provision of Services, and each of the parties may be required to engage in "train-the-trainer" training to enable the other party personnel to provide Services training to others. Supplier shall implement product-specific training that is provided to Supplier by SOV and any other training Supplier deems necessary or reasonably requested by SOV to ensure an adequate number of trained, qualified Supplier Personnel are available to meet the Requirements and perform the Services at the required Service Levels.

16.7 Problem Codes; Credits. In the event of any Service problems or failure to meet the Service Levels or Requirements hereunder, howsoever caused, regardless of how such problem or failure came to the attention of either party and regardless of which party or entity discovers, notifies any other party hereunder, SOV shall, upon learning of the problem, report the problem to Supplier as described in Exhibit D (or as otherwise set forth in the Statement of Work). SOV shall notify Supplier of the problem as set forth in Exhibit D. Supplier shall commence problem resolution activities as set forth in Exhibit D (or as otherwise set forth in the Statement of Work). Service Level Credits applicable to any failure to meet the Service Levels under any Statement of Work shall be taken, consistent with this MSA and the provisions of Exhibit D, as specified in the applicable Statement of Work.

the Service Levels. Any external auditor retained by SOV in connection with audits under this Section shall execute a non-disclosure agreement with provisions no less stringent than those set forth in Article 21 [Confidentiality].

17.2 Supplier Audits and Certifications.

- (a) **Certifications.** Supplier shall obtain and maintain all certifications listed in each Statement of Work. Supplier shall promptly notify SOV of any other certifications obtained by Supplier relating to the Services or the Resources used by Supplier to provide the Services. Supplier shall promptly notify SOV of any failure to obtain or maintain any required certification, or any other certification of which SOV is notified under this Section, and shall provide SOV with a written plan to obtain or re-acquire each such failed certification.
- (b) **SSAE-16.** Unless otherwise expressly stated in the applicable Statement of Work, each year, starting in Supplier's new fiscal year which follows the first Services to support SOV's production activities, Supplier shall cause its external auditors to (i) perform a SSAE-16 SOC 2 audit, regarding those security, privacy, financial and processing integrity controls performed by Supplier that are relevant to SOV's operations, based on Supplier's fiscal year and Supplier's internal controls framework (the "**Baseline Internal Controls Audit**"), and (ii) produce an audit report in connection therewith (the "**Baseline Internal Controls Audit Report**"). On or about April 1st of each year, Supplier shall provide to SOV a copy of the most current Baseline Internal Controls Audit Report. The Baseline Internal Controls Audit shall be performed and the Baseline Internal Controls Audit Report shall be produced at no additional cost to SOV. In the event that SOV requests audit and reporting which are not covered by the Baseline Internal Controls Audit, such additional audit and reporting shall be (i) addressed through the Change Control Procedures, and (ii) performed by the same auditors who have performed the Baseline Internal Controls Audit, at SOV's cost and expense, unless Supplier is subject to another SSAE-16 audit for the same or similar operations that is acceptable to SOV, in which case SOV shall be provided with a copy of that other SSAE-16 audit.
- (c) **Government Audits.** On an annual basis, unless otherwise requested in writing by SOV, Supplier shall inform SOV of any audit of Supplier's data center(s) from which it provides Services or any other of its Facilities or operations it uses to provide Services by any agency of the federal government or the state of Vermont, and shall, to the extent not prohibited by applicable law, provide SOV with a copy of the report or results of each such audit.

17.3 Audit Follow Up. Supplier shall promptly respond and rectify the deficiencies identified and implement changes suggested by any audit report relating to Supplier in a manner approved by SOV in writing. In the event that any audit of Charges or Services reveals that SOV has overpaid any amounts due to Supplier, Supplier shall promptly refund such overpayment.

17.4 Records Retention. Until the later of: (i) three (3) years after expiration or termination of this MSA; (ii) such time as is required by applicable Laws; or (iii) the date that all pending matters relating to this MSA (e.g., disputes) are

successor index or a comparable index for the State of Vermont (or Burlington, Vermont) if one shall be determined by the Bureau of Labor Statistics, or except as set forth in the Statement of Work otherwise.

- (b) All Charges for the Services will be calculated, priced and billed to SOV in U.S. dollars and will not be subject to any adjustment for fluctuations in currency exchange rates, unless specifically identified in the applicable Statement of Work.
- (c) In accordance with the provisions of this MSA, SOV shall pay Supplier the Charges set forth in each Statement of Work as payment in full for the Services under such Statement of Work performed by Supplier. Unless otherwise specifically set forth in this MSA and always subject to and in accordance with Exhibit H, SOV shall not be obligated to pay any amounts other than as set forth in the Statements of Work, nor reimburse Supplier for any costs or expenses Supplier incurs in performing Services or complying with its obligations.

19.2 Pass-Through Expenses.

- (a) "**Pass-Through Expenses**" means charges to be paid directly by SOV or through Supplier on an Out-of-Pocket Expenses basis. If the parties agree that a Pass-Through Expense is to be paid: (i) by SOV directly, Supplier will promptly provide SOV with the original third party invoice and back-up substantiation for the expense, together with a written confirmation that Supplier has reviewed the invoiced charges and has determined the charges are proper and valid and should be paid by SOV; or (ii) by Supplier, Supplier will act as payment agent for SOV and after reviewing the invoiced charges and determining the charges are proper and valid, will pay third party charges comprising the Pass-Through Expense. In the event Supplier is acting as SOV's payment agent pursuant to (ii) above, Supplier will provide SOV with a reasonable opportunity to review the invoice to confirm Supplier's determination. Following this review by Supplier and SOV, Supplier will pay the amounts due and will invoice SOV for such Pass-Through Expense.
- (b) Supplier will use commercially reasonable efforts to minimize the amount of Pass-Through Expenses. With respect to services or materials paid for on a Pass-Through Expense basis, SOV reserves the right to: (i) obtain these services or materials directly from a third party; (ii) designate the third party source for these services or materials; (iii) designate the particular services or materials (e.g., equipment make and model); provided that, if Supplier demonstrates to SOV this designation will have an adverse impact on Supplier's ability to meet the Service Levels, this designation will be subject to Supplier's approval; (iv) require Supplier to identify and consider multiple sources for these services or materials or to conduct a competitive procurement or bidding process; and (v) review and approve the Pass-Through Expense for these services or materials before entering into a contract for these services or materials.

19.3 Incidental Expenses. Supplier acknowledges that, except as expressly provided otherwise in the applicable Statement of Work, all other costs and expenses that Supplier incurs in performing the Services are included in Supplier's Charges to SOV and rates applicable hereunder. Accordingly, such

coded and charges segregated as directed by SOV to facilitate proper accounting among multiple funding sources and different cost allocations among different parts of the solution. All periodic Charges under this MSA (excluding charges based upon actual usage or consumption of Services) shall be computed on a calendar month basis and shall be prorated for any partial month.

20.2 Payment and Retainage.

- (a) Unless otherwise provided in this MSA or a particular Statement of Work, the undisputed portion of each invoice properly rendered and delivered hereunder shall be due and payable within thirty (30) days following the date such invoice is actually received by SOV. Any amounts disputed by SOV shall be disputed in accordance with the provisions of Section 20.3 [Payment Disputes]. All payments shall be made to Supplier by SOV in U.S. dollars, unless otherwise specifically agreed upon and set forth in the applicable Statement of Work.
- (b) Supplier will be compensated solely by SOV. Accordingly, Supplier may not seek payment for Services provided to SOV under this MSA or any Statement of Work from any other person or entity. No payments made under this MSA shall be construed as evidence of the adequate performance of the Services nor shall any payments be construed as acceptance of any unsatisfactory Services by SOV.

20.3 Payment Disputes. In order to dispute an invoice, or any part thereof, SOV must set forth in writing the amount(s) disputed and the specific basis or reason for the dispute, which shall be reasonably detailed and not general or speculative in nature ("**Payment Dispute Notice**"). SOV shall forward a Payment Dispute Notice to Supplier on or prior to the due date of the invoice disputed. SOV shall not dispute any invoice unless SOV believes, in good faith, that SOV is being charged for Services which have not been provided or at prices higher than those set forth in the applicable Statement of Work(s), or that manifest errors in calculation or the like have occurred, or that SOV is otherwise being charged for items contrary to specific provisions of Exhibit H, the applicable Statement of Work(s) and/or the other provisions of this MSA. Upon compliance with the foregoing provisions, SOV may, at its option, withhold payment of the disputed amount(s) of the invoice, and shall remit to Supplier the undisputed amount(s), if any, in a timely manner. Upon receipt of the Payment Dispute Notice, both parties shall make reasonable, diligent, good faith efforts to resolve the dispute as soon as possible in accordance with the dispute resolution procedures set forth in Section 27.2 [Informal Dispute Resolution].

20.4 Liquidated Damages. The parties agree that failed, delayed, and/or other performance by Supplier not in compliance with the terms of this MSA or any Statement of Work will cause damages to SOV which may be uncertain and impractical or difficult to ascertain, and SOV shall assess, and Supplier promises to pay SOV in the event of such failed, delayed and/or other performance not in compliance with the terms of this MSA or any Statement of Work, the amounts described in Exhibit C [Critical Milestones] as liquidated damages ("**Liquidated Damages**") and not penalties. The process for assessment of such Liquidated Damages is set forth in Exhibit C. Any assessment of Liquidated Damages shall not constitute a waiver or release of

foregoing, Information includes trade secrets, proprietary or competitive information, financials, the specific terms of this MSA, past and present operations, future plans and strategy and, unless the parties mutually agree upon a publicity or press release or other form of public announcement, the existence of a contractual or other relationship between the parties. In addition, in this MSA, without limiting the generality of any of other provision of this MSA, Personal Information, as hereinafter defined, is and shall be considered confidential and proprietary information, subject to all of the confidentiality, non-disclosure, security and other obligations applicable thereto. The term "**Personal Information**" means any and all information about individuals, including but not limited to names, signatures, addresses, driver's license numbers, any State-issued identification number, telephone numbers, account numbers, social security numbers, credit reports, demographic information, financial and other personal data, transaction information, and lists of customers, employees, or investors, received from, created, received, available, accessible or obtained in any manner and/or from any source by Supplier as a result of this MSA and/or Services hereunder. The following provisions shall, to the extent the obligations herein are not already included comprehensively in any other sections of this MSA, shall apply to Personal Information:

- i. Supplier specifically acknowledges that in the performance of its obligations under this MSA and any Statement of Work, it will be a "data collector" pursuant to Chapter 62, Title 9 of the Vermont Statutes (9 V.S.A. §2430(3)).
- ii. Supplier shall implement and maintain a comprehensive written information security program (hereinafter, the "**Information Security Program**") which shall include all necessary measures, including, as appropriate, the establishment and maintenance of policies, procedures and technical, logical, physical, and administrative safeguards, to (i) ensure the security and confidentiality of Personal Information, (ii) protect against any foreseeable threats or hazards to the security or integrity of Personal Information, (iii) protect against unauthorized access to or use of such information, (iv) ensure that all Personal Information is encrypted in transit and during transmission and communication, and (v) ensure appropriate disposal of the Personal Information. Without limiting the generality of the foregoing, the Information Security Program shall provide for (i) continual assessment and re-assessment of the risks to the security of Personal Information acquired or maintained by Supplier and its agents and contractors in connection with the Services, including but not limited to (X) identification of internal and external threats that could result in unauthorized disclosure, alteration or destruction of Personal Information and systems used by Supplier and its agents and contractors, (Y) assessment of the likelihood and potential damage of such threats, taking into account the sensitivity of such Personal Information, and (Z) assessment of the sufficiency of policies, procedures, information systems of Supplier and its agents and contractors, and other arrangements in place, to control risks; and

party compelled shall (i) immediately notify the other party of receipt of such demand; (ii) take all reasonable and legally permissible actions to limit the compelled disclosure to only such Information and to such persons as specifically required by and solely for the purposes of such compulsion; and (iii) take all available steps to maintain the confidentiality of the Information, limit and restrict disclosure and use as stated above, and protect the Information from further disclosure to the extent permitted by applicable Laws. SOV shall immediately notify Supplier (either by facsimile or email as set forth in Section 28.11 [Notices]) of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for this MSA. Supplier may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of this MSA under applicable Law within three (3) business days of SOV's receipt of any such request. Supplier agrees that it will not make any claim against SOV if SOV makes available to the public any Information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental agency compelling its production.

- (c) Each party agrees that upon the expiration or termination of this MSA for any reason or upon the request of either party at any time, the other party will immediately return to such requesting party any and all Information under the other party's control or in its possession, and will not at any time thereafter itself use, copy, reproduce, transmit or furnish to any other party, any such Information; provided, however, either party may retain, subject to the restrictions and conditions herein, copies of such Information as is actually necessary for: (i) archival, audit copies required by Laws; (ii) litigation (subject to obtaining appropriate judicial protective orders) and otherwise protecting the legal and proprietary interests of such party in relation to threatened or actual legal proceedings; (iii) compliance with Laws; (iv) preservation of such party's Information to the extent it actually is embedded in and inextricable from the other party's Information; and (v) enforcement and/or protection of such party's legal rights, including any intellectual property rights. Any permitted archives containing SOV Information shall be used by Supplier solely for audit and recovery purposes and shall be maintained and used in accordance with the Vermont Security Policies attached as Exhibit F, as such policies may be modified, amended or replaced from time to time and provided to Supplier.
- (d) Except as otherwise specifically provided in this MSA, each party shall not during the Term and after expiration or earlier termination hereof: (i) disclose, in whole or in part, any Information of the other party; or (ii) sell, rent, lease, transfer, encumber, pledge, reproduce, publish, transmit, translate, modify, reverse engineer, compile, disassemble, adapt, create derivative works from or otherwise use or allow anyone else to use, any such Information.
- (e) Each party shall exercise the same care in preventing unauthorized disclosure or use of the other party's Information that it takes to protect its own proprietary and confidential information of a similar import, but in no event less than reasonable care. Reasonable care includes, without

regarding Personal Information or Protected Health Information shall continue in perpetuity.

21.2 Destroyed or Lost Data. Supplier will not delete or destroy any SOV Information or media on which SOV Information resides without prior authorization from SOV. Supplier will maintain and provide to SOV one or more reports that identify the SOV Information, including media, that has been destroyed. In the event any SOV Information is lost or destroyed due to any impermissible act or omission of Supplier, including any breach of the security procedures described herein or the negligence of Supplier, Supplier shall be responsible for the prompt regeneration, reconstruction or replacement of such SOV Information. Supplier shall prioritize this effort so that the loss of SOV Information will not have any adverse effect upon the Services. SOV agrees to cooperate with Supplier to provide any available information, files or raw data needed for the regeneration, reconstruction or replacement of the SOV Information. If Supplier fails to fully regenerate, reconstruct and/or replace any lost or destroyed SOV Information within the time reasonably set by SOV, then SOV may obtain data reconstruction services from a third party, and Supplier shall cooperate with such third party as requested by SOV. In addition to any damages incurred by SOV, Supplier will be responsible for the actual costs incurred by SOV for the regeneration, reconstruction and replacement of SOV Information by a third party. In the event it is determined that SOV Information has been lost or destroyed as a result of the willful, intentional or negligent acts or omissions of Supplier, SOV may terminate the applicable Statement of Work or this MSA for cause pursuant to Section 26.2 [Termination by SOV for Cause] and pursue any civil and criminal actions available to it.

21.3 Ownership and Protection of SOV Information and Customer Data; Security Breach Reporting

- (a) SOV Information will not be utilized by Supplier for any purpose other than that of rendering the Services. SOV Information is and will remain the exclusive property of SOV. Supplier will not possess or assert any lien, claim, demand or other right or interest in, against or to SOV Information. No SOV Information, or any part thereof, will be sold, assigned, leased, licensed or otherwise disposed of, directly or indirectly, to third parties or commercially exploited by or on behalf of Supplier or used for any purpose, other than in support of Supplier's performance of its obligations hereunder and only to the extent necessary and permitted by SOV for Supplier to do so.
- (b) Upon SOV's request or the termination or expiration of this MSA or any Statement of Work for any reason, Supplier shall either return or, if specifically directed by SOV, destroy all SOV Information in its possession, power or control in a manner that assures the SOV Information is rendered unrecoverable. Any permitted archives containing SOV Information shall be used by Supplier solely for audit and recovery purposes and shall be maintained and used in accordance with HIPAA and the Vermont Security Policies included as Exhibit E, as such policies may be modified, amended or replaced from time to time and provided to Supplier.
- (c) As between SOV and Supplier, SOV shall be deemed to own all Customer Data, and Supplier shall at all times process the Customer Data in

Without limiting any other provision of this MSA, Supplier's obligations with regard to Personal Information shall survive any such termination.

- (g) Subject to the indemnification procedures set forth in Section 24.6, and in addition to any other indemnification obligations in this MSA, Supplier agrees to defend, indemnify, and hold SOV and its officers and employees harmless from and against any and all actual or alleged Losses in connection with any third party claim or action relating to or arising out of a breach of the foregoing provisions of this Article by Supplier, or any person, firm or entity, howsoever characterized or designated, acting under, through, in the name of, under authority of or on behalf of Supplier, including Supplier's employees, agents, representatives or subcontractors.

22. SECURITY.

22.1 General. Without limiting the generality of the requirements of Article 21 and subject to SOV's review as set forth in Section 21.1(a)(ii), Supplier agrees to develop, provide and implement security provisions and controls to maintain the confidentiality, integrity and availability of all SOV Information in the possession or under the control of Supplier hereunder, which at a minimum Supplier would provide for its own proprietary, sensitive and confidential information and digitally stored files, data and programs (acting with due and proper regard for same) and as otherwise required by Laws, including such provisions and controls that: (i) safeguard the physical integrity and condition of all Supplier Facilities, Equipment, Software and all media in Supplier's possession or control containing SOV Information; (ii) ensure that access to SOV Information, in any form on any media, is available only to SOV and its designated employees and/or authorized representatives; and (iii) prevent use by or disclosure of any and all SOV Information to any third party, to any employee or agent of Supplier that does not have a need to know in the performance of Services hereunder or otherwise, unless Supplier has obtained SOV's explicit prior written approval, which may be withheld for any reason in SOV's sole discretion.

22.2 SOV Insurance Industry Regulations, Policies and Flowthroughs. Supplier will comply with: (i) SOV's Insurance Industry Regulations, policies and procedures and other provisions that are required to be flowed through to Supplier by the federal or Vermont state governments that are in effect during the Term, which may be promulgated by the federal or state government, as set forth in Exhibit G, and as such policies may be modified, amended or replaced from time to time and provided to Supplier; and (ii) SOV's policies and procedures that are in effect during the Term regarding the business process, operating procedures or business activities, as such procedures are created or modified by SOV from time to time for application to third party suppliers and provided to Supplier. Any specific modifications to such policy or policies may be included in each applicable Statement of Work or updated at any time thereafter by notice from SOV. Supplier will be responsible for ensuring that Supplier Personnel comply with such policies and procedures. Supplier will provide, at SOV's request, copies of Supplier's internal control policies and procedures for SOV's review and if any such policies and procedures are found

physical copies only as necessary to perform the Services (*i.e.*, on a "need-to-print", "need to copy" basis), providing SOV with access to print logs maintained by Supplier, upon request and on a periodic basis, and establishing, maintaining and enforcing policies approved by SOV requiring the shredding and secure disposal of documents and other materials containing SOV Information and that no physical materials containing SOV Information are removed from secured areas of the Supplier Facilities.

- (c) Supplier shall not (and shall prohibit anyone acting under, through, in the name of, under authority of or on behalf of Supplier) from performing the Services in any manner that, directly or indirectly, defeats security provisions, by-passes security procedures or otherwise avoids the application of required security on devices, SOV Information, files and/or materials containing, without limitation, attorney-client privileged material or attorney work product (and Supplier is responsible for any failure of anyone acting under, through, in the name of, under authority of, or on behalf of Supplier to comply with the provisions of this Section). Without limiting the generality of the foregoing, Supplier shall ensure that (i) all connectivity to SOV Resources and SOV Information and all attempts at the same as permitted hereunder by Supplier Personnel shall be accomplished only through SOV's security gateways/firewalls in accordance with all Industry Data Standards; and (ii) it will not access, and will not permit any unauthorized persons or entities to access, SOV Resources or SOV Information without SOV's express written authorization and any such actual or attempted access shall be consistent with any such authorization. Supplier covenants that, in addition to the other provisions of this MSA, Supplier shall inform SOV whenever access is sought by any individual or entity to any such devices, information, files and/or materials. Supplier waives and expressly disclaims any claim that SOV, by any act contemplated or permitted under this MSA, including any Statement of Work or otherwise, has waived any rights or privileges to which it is otherwise entitled by virtue of SOV's allowance, enabling or facilitating Supplier's performance of any Services.

22.5 Indemnity. Subject to the indemnification procedures set forth in Section 24.6, and in addition to any other indemnification obligations in this MSA, Supplier agrees to defend, indemnify, and hold SOV and its officers and employees harmless from and against any and all actual or alleged Losses in connection with any third party claim or action relating to or arising out of a breach or alleged breach of the foregoing provisions of this Article by Supplier, or any entity, howsoever characterized or designated, acting under, through, in the name of, under authority of or on behalf of Supplier, including Supplier's employees, agents, representatives or subcontractors.

23. REPRESENTATIONS AND WARRANTIES.

23.1 Representations and Warranties. Each party represents and warrants that, as of the Effective Date and each Statement of Work Effective Date:

- (a) This MSA including each Statement of Work constitutes a legal, valid and binding obligation of such party, enforceable against it in accordance with

- (h) **Cost Effectiveness.** Supplier will use all Supplier Resources to provide Services as required under this MSA, with a view to balancing cost considerations with quality in consultation with SOV and consistent with the Requirements.
- (i) **Technology.** The Services will utilize proven, current technology that will enable SOV to take advantage of technological advancements in its industry and support SOV's efforts to maintain competitiveness in the markets in which SOV operates.
- (j) **Ownership; Non-Infringement.** Supplier: (i) is either the owner of, or authorized to use, the Supplier Resources and related material used in connection with the Services; and (ii) is fully authorized to grant SOV all rights, title, interest and ownership in and to all Work Product developed hereunder; and (iii) will perform under this MSA in a manner that does not violate, infringe, misappropriate or constitute an infringement or misappropriation of any patent arising under the laws of the United States, and any copyright, trademark, trade secret or other intellectual, industrial or proprietary rights of any third party.
- (k) **Inducements.** By entering into each Statement of Work, Supplier affirms each of the representations and warranties set forth in this MSA as of the Statement of Work Effective Date. Each time SOV agrees to enter into a Statement of Work with Supplier, Supplier acknowledges such agreement is based upon and is in reliance upon, among other things, the representations, warranties and other inducements described in this MSA and/or the Statement of Work and Exhibits incorporated or referenced therein.
- (l) **Viruses.** With respect to SOV Information, SOV Software and SOV Resources, Supplier will not insert, introduce or include, or permit, enable or cause any third party to insert, introduce or include, any program code, programming instruction or set of instructions constructed with the ability or the intention to damage, interfere with, interrupt or otherwise affect computer programs, data files or operations in any manner without the authorization, knowledge or approval of any actual or intended user, operator, administrator, publisher, licensor or licensee, or any worms or so called 'Trojan Horses' or logic bombs, or any back door, trap door or other access means or portal which would enable an entity or device to access any programs, data, systems or communications devices, without the knowledge or authorization of the owner, operator or user of the programs, data, systems or communications devices, or any other code typically designated to be a virus or other form of malicious code (each is a "Virus").
 - i. Immediately upon the discovery or detection of any Virus, Supplier will remove such Virus and will provide all necessary Services to minimize the impact of such Virus, including the verification and confirmation of the integrity, authenticity, accuracy and completeness of SOV Information which is or may have been affected by such Virus. Without limitation, unless directly attributable to SOV, Supplier will be liable for loss of SOV Information, data or records of SOV, to the extent such loss of data

of Work shall not apply. If changes in Laws, in any way or to any extent, prevent Supplier from performing its obligations hereunder, Supplier shall develop and, subject to SOV's prior written approval in SOV's sole discretion, implement a suitable workaround until such time as Supplier can perform its respective obligations without such workaround. Supplier will be responsible for any fines and penalties imposed on Supplier or SOV arising from any noncompliance by Supplier or Supplier Personnel of its obligations in this Section 23.2(m) except to the extent directed otherwise in writing by SOV. In the event that any Supplier Personnel become aware of any changes in the SOV Laws prior to being notified of same by SOV, Supplier will provide prompt written notice to SOV, and the parties will work in good faith to develop a workaround as quickly as possible, subject to the Change Control Procedures.

(n) **Debarment.** Supplier certifies under pains and penalties of perjury that as of the Effective Date, neither Supplier nor any of Supplier's principals (officers, directors, owners or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

(o) **Certification Regarding Use of State Funds.** In the case that Supplier is an employer and this MSA is a "State Funded Grant" in excess of \$1,001, Supplier certifies that none of these State funds will be used to interfere with or restrain the exercise of Supplier's employee's rights with respect to unionization.

(p) **Export Control; Anti-Bribery.** Neither Supplier nor any Supplier Personnel are included on any list of entities maintained and updated by the Department of Commerce, Bureau of Industry and Security to whom the export of certain types of software is prohibited by United States' Laws, as updated from time to time ("**Entity List**") or list of individuals maintained and updated by the Department of Commerce, Bureau of Industry and Security to whom the export of certain types of software is prohibited by United States' Laws, as updated from time to time ("**Denied Persons List**") and Supplier shall never involve any entity or Supplier Personnel included on any Entity List or Denied Persons List in connection with the SOV account or any Services. Supplier shall provide, upon SOV's request and at any time new Supplier Personnel are assigned to the SOV account, a list of such Supplier Personnel and a statement confirming that such Supplier Personnel are not included on any Entity List or Denied Persons List. Supplier additionally acknowledges certain Software and technical data to be provided in connection with Services hereunder and certain transactions contemplated in connection with this MSA may be subject to export controls under the Laws of the United States and other countries and Supplier agrees and covenants Supplier shall not export or re-export any such items or any direct product thereof or undertake any transaction in violation of any such Laws. Supplier shall be responsible for, and shall coordinate and oversee, compliance with such Laws in respect of such items exported or imported hereunder and Supplier shall include with copies of all SOV Software provided by SOV to Supplier that Supplier is permitted to use outside of the United States specific documentation stating that "These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion or re-export contrary to U.S. law is prohibited." Supplier has not violated Laws or any policies referenced herein regarding the offering of inducements in connection with this MSA.

- vi. Supplier shall provide each employee with all legally mandated benefits.
- vii. Supplier shall comply with the legally mandated work hours and compensate employees for all time worked according to Laws, including overtime work and training. Supplier shall not require any employee to work more than sixty (60) hours per week or local limits if lower, including overtime, except in extraordinary business circumstances. Supplier shall provide employees with at least one (1) day off in seven (7) days.
- viii. Supplier shall provide employees with a safe and healthy workplace that does not expose employees to hazardous conditions. Supplier shall have written health, safety and environmental guidelines and policies, including those applying to employee residential facilities, where applicable.
- ix. Supplier shall maintain on file all documentation needed to demonstrate compliance with the foregoing representations and warranties and agrees to make such documentation available to SOV with or without prior notice. Supplier shall publicize and enforce a non-retaliation policy that permits employees to speak with SOV or its auditors without fear of retaliation by Supplier or its management.

23.3 Supplier is not responsible for any claimed breaches of the foregoing warranties caused by: (i) modifications made to the item in question by anyone other than Supplier and its subcontractors working at Supplier's direction, or pursuant to written directions or instructions from Supplier; (ii) the combination, operation or use of the item with other items Supplier did not supply or that are not so described in the documentation provided by Supplier; (iii) SOV's misuse of the Service in violation of the terms of this Agreement or applicable Law; or (iv) Supplier's adherence to SOV's written specifications or written instructions in each case provided or approved in writing by an authorized SOV representative, or use of erroneous data inputs provided by or on behalf of SOV (to the extent Supplier did not know such data was erroneous and Supplier was not obligated under this MSA to validate the accuracy of such data).

23.4 Disclaimer of Warranty. EXCEPT AS SPECIFIED IN THIS MSA, NEITHER SOV NOR SUPPLIER MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THIS AGREEMENT AND EACH EXPLICITLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

24. INSURANCE.

24.1 Required Insurance Coverage.

- (a) Throughout the Term, Supplier shall maintain in force, at minimum, the insurance coverage described below. All subcontractors must comply with required insurance requirements as set forth in this Article. Any

24.2 Performance Bond. In addition to the insurance coverage set forth herein, to the extent set forth in the applicable Statement of Work, Supplier shall procure one or more performance bonds with one or more reputable and financially responsible surety companies for the Services to be provided hereunder ("**Performance Bond(s)**") guaranteeing Supplier's performance under each applicable Statement of Work. In the case of each System Implementation, the monetary value of the Performance Bond, if required, shall be equal to one (1) times the value of the imputed cost to SOV to obtain from Supplier the applicable System Implementation (or such other amount as specified in the applicable Statement of Work). In the case of ongoing Services, the monetary value of the Performance Bond, if required, shall be equal to one (1) times the estimated value of the Services for the first two (2) years of the Term (or such other amount as specified in the applicable Statement of Work). Notwithstanding the foregoing, if such Performance Bond cannot be obtained on commercially reasonable terms despite Supplier's good faith efforts (e.g., because sureties deem the bond requirement as inconsistent with prevailing industry standards), the parties agree to negotiate an acceptable alternative Performance Bond requirement. For any Supplier providing multiple System Implementations or a combination of System Implementations and ongoing Services, the total value of the Performance Bond(s) shall equal the total value of each Performance Bond requirement as provided herein or as otherwise provided in the applicable Statement of Work. Each surety providing any portion of the Performance Bonds shall be at all times during which the Performance Bond is effective listed on the U.S. Treasury C570 Listing.

24.3 General Insurance Requirements. All insurance policies Supplier is required to carry pursuant to this Section shall: (a) be primary and non-contributing with respect to any other insurance or self-insurance SOV may maintain; (b) name SOV and its officers and employees as additional insureds on the Commercial General Liability and Automobile Policies, as such parties' interests may appear with respect to this MSA and any Statement of Work (except as to the insurance described in Section 24.1(a)(iii), 24.1(a)(v) and 24.1(a)(vi)); (c) be provided by reputable and financially responsible insurance carriers approved by SOV, with an A.M. Best's minimum rating of "A-" and minimum Best's financial size category of "X"; (d) and require that the insurer endeavor to notify SOV in writing at least thirty (30) days in advance of cancellation (and Supplier shall in any event provide SOV with such notice at least thirty (30) days in advance of cancellation unless Supplier has not been so informed by its insurer) and (e) in the case of the Commercial General Liability policies, and subject to the requirements of Supplier's existing policies with its insurers, use reasonable efforts to cause all other insurance policies to include a waiver of all rights of subrogation against SOV. Each insurer under each such policy shall be amenable to suit and collection of any judgment in the State of Vermont. Supplier shall provide a certificate of insurance issued by their insurance broker (as well as updates to such certificate at each policy renewal) evidencing the coverage. If Supplier is unable to provide the insurance coverage specified in this Article then SOV shall be entitled, on commercially reasonable terms, to obtain all or any portion of such coverage at Supplier's sole cost and expense, and the premiums paid by SOV therefor shall not be subject to any limitations set forth in Article 25; provided that Supplier shall have the right, within sixty (60) days, to cure any failure to provide insurance hereunder so long as coverage does not lapse, and if coverage has lapsed or a

24.6 Indemnification Procedures. Promptly after receipt of any written claim or notice of any action or incident giving rise to a claim for indemnification ("**Claim**"), SOV shall notify Supplier and provide copies of such Claim and any documents relating to same in its possession or any other relevant information. No failure of SOV to so notify Supplier shall relieve Supplier of its indemnification obligations except to the extent, but only to the extent, the failure or delay is prejudicial. Supplier shall have sole control over the defense and any settlement of such Claim; provided, however, that (i) SOV shall be entitled to participate in the defense of such Claim and to employ counsel at its own expense to assist in the handling of such Claim, and (ii) without SOV's written consent, Supplier may not admit that SOV has any liability, obligate SOV to pay any non-reimbursable sum or make any admission of a wrongdoing by SOV in conjunction with the defense or as a result of settlement of the Claim.

24.7 Disclaimer of SOV Indemnification Obligations. Supplier acknowledges and agrees that the laws and the public policy of the State of Vermont prohibit the State from agreeing to indemnify contractors and other parties. Supplier agrees that to the extent this MSA or any Statement of Work expressly provide for or imply indemnification of Supplier and/or other third parties by SOV, such actions shall be waived and have no force and effect with respect to SOV.

25. LIMITATION OF LIABILITY.

25.1 General Intent. Subject only to the limitations set forth in this Article, a party who breaches any obligations under this MSA or any Statement of Work shall be liable to the other for damages actually incurred by the other as a result of such breach. The parties agree that the limitations in this Article 25 will not be read so as to limit any liability to an extent that would not be permitted under applicable law.

25.2 Limit on Types of Damages Recoverable.

- (a) EXCEPT AS SET FORTH IN SECTION 25.3 OF THIS ARTICLE BELOW, NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES (OR ANY COMPARABLE CATEGORY OR FORM OF SUCH DAMAGES, HOWSOEVER CHARACTERIZED IN ANY JURISDICTION), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, AND EVEN IF FORESEEABLE OR IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- (b) Except as set forth in Section 25.3 of this Article below, each party's aggregate liability for damages under this MSA (including each and every Statement of Work hereunder) shall not exceed the amount of all direct provable damages suffered, incurred or sustained by such party hereunder up to a cap equal to the greater of (1) the amount paid or payable (based on aggregate Charges under this MSA and any Statement(s) of Work) to Supplier under this MSA; or (2) fifteen million dollars (\$15,000,000). In no event shall this MSA limit the liability of Supplier for claims made against Supplier by parties other than SOV. The following are agreed to be direct damages and neither party shall

25.6 Force Majeure; Contingency Plans.

- (a) Subject to Sections 25.6(b) and 25.6(c) of this Article below, neither party will be liable for default or delay in the performance of its obligations hereunder, to the extent such default or delay both:
- (i) is caused by any of the following: acts of war, domestic and/or international terrorism, civil riots or rebellions, quarantines, embargoes and other similar unusual governmental actions; extraordinary elements of nature or acts of God (other than localized fire, hurricane, tornado or flood); and
 - (ii) could not have been prevented by the non-performing party's reasonable precautions or commercially accepted processes, or could not have been reasonably circumvented by the non-performing party through the use of substitute services, alternate sources, work-around plans or other means by which the requirements of a buyer of services substantively similar to the Services hereunder would be satisfied. Events meeting both criteria set forth in clauses (i) and (ii) above are referred to herein individually and collectively as "**Force Majeure Events.**" The parties expressly acknowledge that Force Majeure Events do not include and cannot be caused by vandalism, Laws, the regulatory acts of governmental agencies, labor strikes, or the non-performance of contractors relied on or otherwise engaged by Supplier as permitted herein for the delivery of the Services or any negligence or failure to properly perform obligations or provide Services in conformity with the terms and conditions of this MSA or any Statement of Work, unless such failure or non-performance by such contractors is itself caused by a Force Majeure Event. Upon the occurrence of a Force Majeure Event, the non-performing party will be excused from performance or observance of obligations so affected for as long as (1) the circumstances prevail and (2) the party continues to use commercially reasonable efforts to recommence performance or observance to the greatest extent possible without delay.
- (b) If any Force Majeure Event lasts for five (5) consecutive days or fifteen (15) days in the aggregate or such lesser period of time which is the shortest period: (i) specified in SOV's standards and policies for such Services; (ii) specified in the Requirements for such Services; or (iii) specified in the Statement of Work for such Services, then at SOV's option and at any time thereafter that such Force Majeure Event continues, SOV may (reserving cumulatively all other remedies and rights at law, in equity and under this MSA) (x) procure the affected Services from an alternate source; or (y) terminate this MSA, in whole or in part, or any affected Statement of Work, without penalty or further obligation or liability of SOV, and the Charges payable under this MSA will be equitably adjusted by SOV to reflect those terminated Services.
- (c) Notwithstanding any other provision of this Section, no Force Majeure Event shall relieve Supplier of its obligation to commence and successfully implement all of the Services relating to information security, disaster recovery and/or business continuity Services that are described

business interruption and promptly implement such plan to restore the Services to normal operation.

- (e) SOV shall retain authority for developing policies and business requirements regarding contingency planning, disaster recovery and business resumption planning applicable to the SOV Facilities. Supplier shall fully cooperate with SOV and provide such assistance as requested by SOV from time to time in connection with the testing and auditing of all SOV Contingency Plans and all other SOV policies, procedures and business requirements provided to Supplier or otherwise applicable to the SOV Facilities, Resources and Services (collectively, the "**SOV Contingency Plans**"). Supplier shall comply with the SOV Contingency Plans, including any Laws relative to SOV, to the extent such plans, policies, requirements and Laws apply to the Services. Supplier shall develop and execute contingency planning, business resumption and disaster recovery practices consistent with such policies, business requirements, and Laws, including a plan providing for the recovery of the Services in the priority order specified by SOV from time to time. SOV shall, from time to time, review and modify the policies and business requirements and such modifications shall be implemented by Supplier.

26. TERMINATION.

26.1 Termination by Supplier for Cause. Supplier may (reserving cumulatively all other remedies and rights under this MSA and at law and in equity), by giving written notice to SOV, terminate a Statement of Work, effective as of thirty (30) days after the date specified in the notice of termination, in the event that SOV fails to pay Supplier Charges when due under a Statement of Work and thereafter fails to make such payment within thirty (30) days of written notice from Supplier that Supplier intends to terminate for such failure to pay or, if the Charges are in dispute, the date such dispute is resolved, unless SOV pays to Supplier within such thirty (30) day period all amounts then due or owing to Supplier. Additional provisions regarding Supplier's right to terminate a Statement of Work may be set forth in such Statement of Work.

26.2 Termination by SOV for Cause. SOV may (reserving cumulatively all other remedies and rights under this MSA and at law and in equity), by giving written notice to Supplier, terminate this MSA and/or any Statement of Work (and any other Statement of Work for which performance by Supplier thereunder is in the reasonable determination of SOV materially adversely impacted by the termination of the breached Statement of Work), in whole or in part for the following breach events (provided that additional provisions regarding SOV's right to terminate a Statement of Work may be set forth in such Statement of Work):

- (a) if for (A) a material breach of a Statement of Work, or (B) a material breach of this MSA, and the applicable breach is not cured by Supplier within thirty (30) days of the date on which SOV provides written notice of such breach or if the breach is not one that can reasonably be cured within thirty (30) days, but is one that is able to be cured, if the Supplier does not develop a plan to cure the breach within thirty (30) more days, or does not cure by the end of such second thirty (30) day period:

Statement of Work in whole or in part or requires SOV to insert any provisions into contracts and agreements applicable to the Services hereunder (in which event this MSA, including each Statement of Work, shall be deemed amended to comply therewith).

- (d) **Change of Control.** In the event that Supplier undergoes a change in Control (except a change in Control among Supplier's then current executives) where Control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of Supplier's assets are acquired, by any entity, or Supplier is merged with or into another entity to form a new entity, then, at any time within twelve (12) months after the last to occur of any of these events, SOV may terminate this MSA and/or any or all Statements of Work, in whole or in part, without further liability or obligation, by giving Supplier at least sixty (60) days prior written notice.
- (e) **Revocation of Funding; Appropriations.** SOV may terminate this MSA and/or any and all Statements of Work, in whole or in part, immediately and without cause at any time by giving Supplier written notice, in the event that any of SOV's funding sources to carry out such mandate are reduced or revoked. If appropriations are insufficient to support this MSA or any Statement of Work, SOV may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriate authority. In the case that this MSA or any Statement of Work is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, SOV may suspend or cancel this MSA or any Statement of Work immediately, and SOV shall have no obligation to fund this MSA or any Statement of Work from State revenues.
- (f) **Insolvency.** SOV may immediately terminate this MSA in its entirety (including all Statements of Work), if Supplier (i) becomes insolvent or is unable to meet its debts as they mature, (ii) files a voluntary petition in bankruptcy (or any other equivalent, comparable or similar legal protection applicable to debtors in the jurisdiction) or seeks reorganization or to effect a plan or other arrangement with creditors, (iii) files an answer or other pleading admitting, or fails to deny or contest, the material allegations of an involuntary petition filed against it pursuant to any applicable statute relating to bankruptcy, arrangement or reorganization, (iv) shall be adjudicated a bankrupt or shall make an assignment for the benefit of its creditors generally, (v) shall apply for, consent to or acquiesce in the appointment of any receiver or trustee for all or a substantial part of its property, or (vi) any such receiver or trustee shall be appointed and shall not be discharged within thirty (30) days after the date of such appointment.

26.4 Adjustment of Charges Upon Termination. If SOV chooses to terminate a Statement of Work in part, the Charges payable under such Statement of Work will be equitably adjusted by SOV to reflect those Services that are not terminated.

26.5 Extension of Termination Effective Date. SOV may, at its option, upon thirty (30) days' prior notice, extend any termination date it has specified pursuant to this Article by a period of up to one hundred (180) days. In such

giving effect, if applicable, to the resolution of any properly disputed amounts), Supplier shall promptly refund SOV the difference. To the extent that the amount paid by SOV is less than the total amount of such invoices (after giving effect, if applicable, to the resolution of any properly disputed amounts), SOV shall promptly pay to Supplier the difference.

- (d) Supplier acknowledges that, if it were to breach, or threaten to breach, its obligation to provide SOV with Termination Assistance, SOV would be immediately and irreparably harmed and monetary compensation would not be measurable or adequate. In such circumstances, SOV shall be entitled to obtain such injunctive, declaratory or other equitable relief as SOV deems necessary to prevent such breach or threatened breach, without the requirement of posting any bond and Supplier waives any right it may have to allege or plead or prove that SOV is not entitled to injunctive, declaratory or other equitable relief. If the court should find that Supplier has breached (or attempted or threatened to breach) any such obligations, Supplier agrees that without any additional findings of irreparable injury or other conditions to injunctive or any equitable relief, Supplier will not oppose the entry of an order compelling its performance and restraining Supplier from any further breaches (or attempted or threatened breaches).

27. DISPUTE RESOLUTION.

27.1 General. Unless specifically provided otherwise in this MSA or a particular Statement of Work, any dispute or controversy between the parties hereunder shall be resolved as provided in this Section. A dispute over payment will not entitle Supplier to withhold, suspend or decrease its required performance under this Agreement. Supplier shall continue performing its obligations hereunder while the parties are seeking to resolve any dispute in accordance with this Article, unless and until such obligations are terminated or expire in accordance with the provisions of this MSA or the applicable Statement of Work and the existence of such dispute shall not relieve the Supplier of any of its obligations under this MSA and any and all Statements of Work.

27.2 Informal Dispute Resolution. The parties may attempt to resolve any dispute or controversy hereunder, informally by submitting the dispute, in writing, to SOV and Supplier managers responsible for the Statement of Work or Statements of Work giving rise to the dispute ("**Statement of Work Project Managers**"), who shall meet in person or by telephone conference call in an effort to resolve the dispute, as often as they deem necessary to gather and analyze any information relevant to the resolution of the dispute, but not less than once every day.

- (a) During the course of attempting to resolve the dispute informally, all reasonable requests for non-privileged information related to the dispute, made by one party to the other, shall be honored; provided, however, in attempting to resolve the dispute, the conduct and activities of the parties, any offers of compromise, all settlement proposals and/or information exchanged shall: (i) be considered Information that is confidential and proprietary to each of the parties, and therefore,

Association, applicable to mediation in a location to be agreed upon in Vermont, where the parties agree all such proceedings shall be conducted. Such mediation shall be conducted by a qualified neutral, independent third party mediator, knowledgeable in the subject matter of the dispute and, if the parties cannot agree upon a mediator, each party shall select such a mediator and the two (2) mediators so selected shall mutually agree upon a third and the mediation shall, in that case, be conducted by a panel of the three (3) mediators so selected. Each party shall bear its own expenses and an equal share of the expenses of the mediator(s) and the fees of the American Arbitration Association.

- v. If the parties accept and agree to the mediators' recommendations or otherwise reach agreement resolving the dispute, such agreement shall be made in writing and once duly executed, shall be binding on the parties; provided, however, that for the avoidance of any doubt or ambiguity, nothing in this MSA or any Statement of Work shall be construed as restricting, prohibiting, preventing or otherwise impairing either party from proceeding to litigation, instituting judicial or other proceedings, including a formal claim or legal action, or from pursuing any and all other legal, equitable or contractual remedies available to such party, at any time. Notwithstanding anything in this MSA to the contrary, SOV shall not agree to arbitration and SOV shall not waive any right to a trial by jury.

27.3 Governing Law. All questions concerning the validity, interpretation, enforcement and performance of this MSA and all Statements of Work shall be governed by and decided in accordance with the substantive internal laws of the state of Vermont without regard to its choice of law principles.

27.4 Jurisdiction and Venue. THE PARTIES HEREBY SUBMIT AND IRREVOCABLY CONSENT TO VENUE IN AND THE EXCLUSIVE JURISDICTION OF SUPERIOR COURT OF THE STATE OF VERMONT, CIVIL DIVISION, WASHINGTON UNIT, AND IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS MSA AND ANY STATEMENT OF WORK SHALL BE LITIGATED IN STATE COURTS, AND EACH OF THE PARTIES WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURT. SUPPLIER HEREBY CONSENTS TO BE JOINED IN ANY ACTION OR PROCEEDING IN WHICH SOV IS A DEFENDANT AND FOR WHICH SUPPLIER IS REQUIRED TO INDEMNIFY SOV PURSUANT TO THE PROVISIONS OF THIS MSA OR ANY STATEMENT OF WORK. Except as required by the indemnification provisions of this MSA, neither party shall be liable for attorney's fees incurred by the other party in any proceeding. The parties expressly agree that no provision of this MSA or any Statement of Work is in any way intended to constitute a waiver by the State of Vermont of any immunities from suit or from liability that the State of Vermont may have by operation of law.

27.5 Equitable Remedies. The parties agree that, notwithstanding the provisions of Section 27.2 of this Article [Informal Dispute Resolution], either party may seek immediate injunctive or equitable relief which may be enforced

bankruptcy trustee, Supplier or such bankruptcy trustee shall not interfere with the rights of SOV as provided in this MSA, including the right to obtain the SOV Information.

28.6 No Gifts or Gratuities. Supplier shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of SOV during the Term.

28.7 Copies. All written reports prepared under this MSA will be printed using both sides of the paper.

28.8 Amendment; Waiver. No terms and conditions in any Supplier form, document, purchase order or otherwise, shall or shall be construed to modify, amend or in any way alter the terms and conditions set forth herein. No supplement, modification, amendment to or waiver of this MSA shall be binding unless executed in writing by the party against whom enforcement of such supplement, modification, amendment or waiver is sought and is executed, if applicable, in the manner and with respect to the subject matter, consistent with the requirements of this MSA. No waiver of any of the provisions of this MSA shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

28.9 Further Assurances. Each party shall provide such further documents or instruments required by the other party as may be reasonably necessary, appropriate or desirable to give effect to this MSA and to carry out its provisions.

28.10 Severability. Any provision in this MSA which is prohibited, invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, invalidity or unenforceability, without invalidating, affecting or impairing the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction. To the extent practicable, the prohibited, invalid or unenforceable provision shall be replaced, for purposes of such jurisdiction, with a permitted, valid and enforceable provision which comes closest to the intention of the parties with respect to the provision so replaced.

28.11 Notices. Except as otherwise specifically provided in Sections 21.1(b) and 21.3(d) of this MSA, any notice, demand or other communication required or permitted to be given under this MSA shall be in writing and shall be deemed given, delivered to a party and effective: (i) when delivered by hand or courier or by overnight delivery service with signature receipt required; or (ii) when sent by confirmed facsimile with a copy sent by another means specified in this Section, in each case to the address of such party set forth below (or at such other address and/or addressee as the party may from time to time specify in a Statement of Work or by notice delivered in the foregoing manner):

If to Supplier, to:

CGI Technologies and Solutions Inc.
600 Federal Street
Andover, MA 01810
Attn: VT Account Manager
FAX: (978) 946-3096
Email:

For purposes of each Statement of Work, notices required or permitted hereunder or thereunder and which relate solely to routine notifications and communications between the parties in the ordinary course of the performance of such Statement of Work, shall be sent, consistent with the mechanism in this Section above, or by email, to the Statement of Work Project Managers assigned to the Services. Any email notice requiring consent, approval or other official determination will require confirmation.

28.12 Survival. Any provision of this MSA which contemplates performance or observance subsequent to any termination or expiration of this MSA or which must survive in order to give effect to its meaning, shall survive the expiration or termination of this MSA.

28.13 Independent Contractors; Independence. Supplier shall perform its obligations under this MSA and for all purposes is and is acting as an independent contractor of SOV. Nothing herein shall be deemed to constitute Supplier and SOV as partners, joint venturers, or principal and agent or be construed as requiring or permitting the sharing of profits or losses. Supplier has no authority to represent or bind or create any legal obligations for or on behalf of SOV as to any matters, except as expressly authorized in this MSA and in any applicable Statement of Work. Supplier will act in an independent capacity and not as officers or employees of SOV.

28.14 Third Party Beneficiaries. Nothing in this MSA, express or implied, shall or is intended to confer on any other entity, any rights, benefits, remedies, obligations or liabilities of this MSA, other than the parties, their respective successors or permitted assigns.

28.15 Entire Agreement. All Statements of Work, Exhibits hereto and all other attachments and documents referred to in any of the foregoing are incorporated into this MSA by this reference and form a part hereof as if fully set forth herein. This MSA constitutes the entire agreement between the parties pertaining to the subject matter and supersedes all prior, inconsistent and/or contemporaneous agreements, understandings, promises, representations, warranties, negotiations and discussions, whether oral or written, of the parties pertaining to the subject matter hereof.

28.16 Execution and Transmission of Executed Agreement. This MSA may be executed in multiple counterparts that together shall constitute one instrument. Copies of signed counterparts that are transmitted via facsimile or electronically between the parties shall be deemed to be originals for purposes of establishing execution by either or both parties. This MSA may be executed electronically with record of the transaction held electronically by either or both parties.

SIGNATURE PAGE FOLLOWS

Exhibit A
Form of Statement of Work

This Statement of Work Number ____ is issued pursuant to the Master Services Agreement dated as of _____ (the "**MSA**") between the State of Vermont ("**SOV**") and CGI Technologies and Solutions Inc. ("**Supplier**"). This Statement of Work incorporates the terms and conditions of the MSA as if the MSA were fully set forth in the text of this Statement of Work. Capitalized terms not defined in this Statement of Work are defined in the MSA.

1. Effective Date and Term of this Statement of Work.

This Statement of Work is effective as of *[insert effective date]* ("**Statement of Work Effective Date**") and shall continue through *[insert anticipated end date]* which shall constitute the "**Statement of Work Term**". *[Insert agreed renewal provisions]*

2. Services to be Performed and Schedule of Performance.

A. Scope of Services

[Provide a detailed description of the scope of Services broken down by type of Services covered by this Statement of Work such as BP Services, CC Services, IT Services, including project management, design, development, business processes, etc.]

The following detailed responsibility matrix specifies Supplier Personnel roles and responsibilities in connection with this Statement of Work and SOV responsibilities, approvals and Resources agreed to by the parties:

B. Location of Services.

[Identify all locations related to or involved in the performance of Services]

C. Deliverables and Work Product.

[Identify all manuals, guidelines, procedures, methodologies, records, reports, customer service scripts and screens, design, program, functional, operational and other specifications and documentation for all Work Product.]

D. Milestone Schedule

[Include a detailed milestone, progress, delivery, availability and completion schedule.]

E. Specifications

[Include detailed specifications describing and defining the relevant design, functional, operational and performance characteristics, specifications, configurations, standards and criteria applicable to the development, delivery and performance of the Services]

F. Acceptance Criteria and Process.

[Describe the proposed criteria and procedures required to verify and confirm the completeness, accuracy and acceptability of the Services and the conformance of such Services to the Requirements related to the achievement of any milestone on the Milestone Schedule; include development of a Deliverable Expectation Document (DED) where appropriate to establish criteria for acceptance of the applicable deliverable; include time periods for review considering size and scope of deliverables, timing for resubmission in the event that any of the Acceptance Testing fails, and any other Acceptance provisions.]

N. Customer Satisfaction Survey.

Supplier shall conduct regular customer satisfaction surveys as follows:

[Set forth scope, timing, format and content of such survey and the procedures by which each such survey will be conducted and administered]

O. Certifications.

Supplier shall maintain the following certifications during the Statement of Work Term:

3. Hosting Services.

[Describe hosting services]

4. Back Office Operations.

[Describe back office operations]

5. Maintenance and Support.

[Describe maintenance and support services and obligations]

6. Project Managers.

The Project Managers are:

<u>Supplier</u>	<u>SOV</u>
<hr/>	<hr/>
<hr/>	<hr/>

7. Staff.

A. Subcontractors.

The following subcontractors are hereby approved by SOV for the purposes noted
[List each subcontractor and its roles and responsibilities]

B. Shared Staff.

[Describe any Services to be provided from a non-partitioned or shared processing environment]

C. Security Requirements.

[Describe any exceptions to the security requirements in the MSA or to SOV's Security Policies and any additional security requirements]

8. Software.

A. Supplier Provided Software.

[Identify any Supplier Software that will be used to provide Services.]

B. SOV Provided Software.

[Identify any SOV Software that Supplier will be authorized to use to perform the Services.]

C. Third Party Software provided by SOV.

[Specify any Third Party Software licensed by SOV to which Supplier will be granted access under this Statement of Work, and list any Third Party Software for which Supplier will not assume operational and financial responsibility and any related maintenance obligations during the applicable Statement of Work Term to the same extent as if Supplier were the licensee of such Third Party Software. Specify any Third Party Software listed in this Section for which Supplier will not pay such third

- C. Monthly Services
- D. Other Included Services
- E. Optional Services
- F. Pass-Through Expenses
- G. Withheld Amount

21. Additional Terms.

[Include any additional terms agreed by the parties and not included in Sections 1-20 above.]

Agreed to and accepted by:

CGI Technologies and Solutions Inc.
(CGI)

By: _____

Name: _____

Title: _____

Date: _____

State of Vermont (SOV)

By: _____

Name: _____

Title: _____

Date: _____

- 4) At the end of my employment, or upon request, hand over to my manager or to any CGI officer, any and all confidential information or documentation related to CGI and its clients then in my possession;
- 5) Not discuss or divulge any confidential CGI information that may affect the value of CGI shares or that could harm CGI;
- 6) Be bound by this confidentiality agreement, even after the end of my employment at CGI.

- **Intellectual property**

I assign to CGI all my rights in all work that I shall perform during the term of my employment and I authorize CGI and its assignees to modify them. I confirm that CGI is free to use this work as it so wishes and I agree to not use it in any way, nor to divulge, publish or otherwise disseminate it without having obtained the prior written consent of CGI. I will execute any document that may be useful or made necessary by CGI to confirm or complete this assignment of rights. In addition, I undertake to never use, reproduce or distribute, in whole or in part, other than in the exercise of my duties at CGI, the software used in the execution of my duties at CGI and at a client site.

- **Loyalty and avoidance of conflict of interest**

I shall act at all times with diligence and loyalty towards my employer and in such a way as to safeguard my employer's interests. In particular, I agree to not place myself in a conflict of interest, that is, in a situation that would allow me to advance my personal interests, or those of a third party, at the expense of CGI. I agree to not act in a way or publicly hold a position that might harm the image or reputation of CGI. I shall take on no secondary employment without obtaining prior written consent from CGI, understanding that it may come into conflict with my position at CGI or prevent me from devoting the time and effort required to perform my duties.

- **Respect and Integrity**

I shall demonstrate courtesy, honesty, civility and respect for other members of CGI, for its clients, and for its suppliers. I will refrain from any form of harassment or discrimination against anyone because of race, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status or disability.

- **Systems Infrastructures**

I agree to respect CGI's *Information Systems and Information Technologies (IS-IT) Use Policy*, which I have read upon joining CGI. I also agree to respect the policies related to the use of our clients' systems, services and technological infrastructures (including equipment, software and telecommunication facilities) and to protect the data that they contain.

- **CGI and Client Property and Assets**

I agree to take all reasonable precautionary measures to prevent damage, loss, theft, abuse or unauthorized use and disposal of CGI and client property and assets that will be placed at my disposal. While working at a client's site, I shall comply with the client's practices and procedures and treat the client's facilities with respect. I also agree to immediately return to CGI, at the end of my employment, or upon request from my manager, all CGI property and assets then in my possession.



Exhibit B-1

Intellectual Property Rights Agreement

The Contractor understands and acknowledges that the ownership and protection of intellectual property and confidential and proprietary information is of critical importance to CGI Technologies and Solutions Inc. ("CGI") and its customers. The term "CGI" refers to CGI Technologies and Solutions Inc. and all of its subsidiaries and affiliates, and the term "customer" includes all persons or entities for whom CGI performs services or with whom CGI works or cooperates for any purpose. This Agreement sets forth certain terms and conditions under which the Contractor will perform services for the benefit of CGI or its customers (the "Services") as part of a project or projects agreed to between CGI and Contractor. This Agreement applies in addition to any other agreement between CGI and Contractor governing the performance of Services.

1. Contractor agrees and acknowledges that he or she may create or participate in the development of inventions, discoveries, improvements, and original works of authorship, including, without limitation, derivative, joint, and collective works and compilations (collectively, "Works"). The term "Works" includes all ideas or items produced or created by Contractor (or any person furnished by Contractor, if applicable) in the course of performing the Services, whether alone or jointly with others.
2. Contractor will promptly disclose to CGI any Works of which he or she becomes aware. Contractor agrees that all Works that he or she creates or helps develop under this Agreement will be the property of, and owned by, CGI and will be considered "works made for hire". CGI will have all rights, title and interest in and to all Works, including without limitation copyrights, patents, trade secrets, and other proprietary, intellectual, industrial and moral rights of whatever nature ("Intellectual Property Rights"). In the event any such Works are, for whatever reason, deemed not to constitute a "work made for hire," the Contractor does hereby assign to CGI all such Intellectual Property Rights, for good and valuable consideration, the sufficiency of which is hereby acknowledged.. CGI's rights in and to each Work will vest on the date each Work is produced or created. Further, as between CGI and Contractor, CGI's and its customers' ideas and requirements disclosed to Contractor in writing or orally are owned by CGI. Contractor agrees to give CGI at no additional charge all assistance reasonably required to vest in CGI throughout the world all Intellectual Property Rights in the Works, including without limitation providing written assignments and waivers of such Intellectual Property Rights in favor of CGI, its affiliates and customers from Contractor and the personnel furnished by Contractor. If under applicable law Contractor is deemed to retain any rights in any Works, to the maximum extent allowed by applicable law, Contractor:
 - a) irrevocably assigns to CGI all rights, including Intellectual Property Rights, that he or she retains; or, if such assignment is invalid or insufficient,
 - b) irrevocably waives its moral and authorship rights in all Works, including without limitation rights of attribution and integrity; or, if such waiver is invalid or insufficient,
 - c) consents to CGI's and its customers' use and infringement of the rights Contractor retains in the Works; or, if such consent is invalid or insufficient,
 - d) agrees that in perfecting and protecting his or her rights, Contractor will refrain from interfering with CGI's and its customers' use of any Works.



be no adequate monetary remedy, and that CGI will be entitled (in addition to its other remedies) to obtain injunctive and other conservatory relief. Contractor further acknowledges that CGI is an intended third-party beneficiary of this Agreement and shall have the right to bring any action, claim, or suit for damages or other relief upon any breach by Contractor of its obligations under this Agreement; and CGI shall have the right to assign any or all of its rights under this Agreement without Contractor's express consent.

8. The provisions of this Intellectual Property Rights Agreement are severable, and the unenforceability of any one or more provisions will not affect the enforceability of any other provision. If any provision is deemed to be or becomes unenforceable, CGI may substitute an enforceable provision that preserves the parties' original intentions and economic positions to the maximum extent legally possible.
9. The parties agree that Contractor is not an employee of CGI, and nothing in this Agreement shall create or be deemed to imply any such relationship between Contractor and CGI or entitle Contractor to any compensation from CGI. Contractor acknowledges that a breach, or attempted or threatened breach, by it of any part of this Agreement shall be a breach of its obligations to CGI and shall entitle CGI to pursue all lawful remedies against Contractor, including immediate dismissal.

Print Name: _____

Signature: _____

Date: _____

mutually agreed by the parties by the Revised Scope Date (as defined in SOW #1) and set forth in an amendment to this Exhibit C.

CMS Reference Number	Critical Milestone	CMS Preferred Date*	Liquidated Damages
2.4	Call center live (CRM)	09/01/2013	High
2.5	Website launched	09/01/2013	High
9.2	Functionality demonstrated for PM Exchange Components (e.g. QHP Evaluation and Certification, Issuer Portal)	03/01/2013	Medium
9.2	Functionality demonstrated for E&E Exchange Components (e.g. enrollment processing, verification interfaces, rate calculator)	03/01/2013	Medium
9.2	Functionality demonstrated for FM Exchange Components (APTC/CSR data reporting, SHOP and individual premium billing)	03/01/2013	Medium
9.2	Functionality demonstrated for systems supporting Consumer Assistance functions (e.g. CRM, portal access)	03/01/2013	Medium
9.2	Development of PM Exchange components completed (pending further definition)	05/31/2013	High
9.2	Development of FM Exchange components completed (pending further definition)	05/31/2013	High
9.2	Development of E&E Exchange components completed (pending further definition)	05/31/2013	High
9.2	Development of CA Exchange components completed (pending further definition)	05/31/2013	High
9.2	Systems Testing complete and results submitted to CMS for all Exchange components	07/31/2013	Medium
9.2	Connectivity established for all required Data Services Hub services	6/1/2013	High
9.2	Hub and partner testing on all Data Services Hub services completed	6/30/2013	Low
9.2	Communications and security certification testing of all Data Services Hub services completed	6/30/2013	Medium
9.2	Preproduction testing of all Data Services Hub services completed	6/30/2013	Medium
9.2	Production environment setup completed	07/01/2013	Low
9.2	End-to-end testing completed	09/01/2013	High
9.2	State test summaries and results of CMS-developed test scenarios submitted to CMS	09/01/2013	Low
10.3	Substantially completed Safeguard Procedures Report submitted to IRS for approval	06/01/2013	Medium

* Per Section 5, to be mutually agreed by Revised Scope Date.

Exhibit D
Service Levels

1. Hosting Services Service Levels

a. Generally. The Health Benefits Exchange applications and associated hosting (together, the "System") have been designed and will be implemented and operated to run in compliance with the Service Levels set forth in this Section.

b. Summary Table. The following Service Levels and Service Level Credits apply to the Hosting Services (as defined in Exhibit I to the MSA), subject to the provisions that follow in Section 1.c below.

Service Level Agreement (SLA)	Service Level	Service Credit for Failure
Availability During All Hours	For each hour: Production: 99.90% Egregious: 94% Non-Production: 99.5%	\$3,500 Egregious: \$5,000
Content Maintenance	Timely Updating of Production Content Per Agreed Schedule	\$1,500 for each Scheduled Update
Web Page Response Time	Production: 1 second average Egregious: 5 second average in any hour 3 times in any day or 10 times in a week	For each day: \$1,000 Egregious: \$5,000 each day or week
Response Time for Real Time Transactions	Production: 90% within 5 seconds None greater than 10 seconds Egregious: 75% within 5 seconds None greater than 10 seconds	For each day: \$1,000 Egregious: For each day: \$5,000
Help Desk Mean Time to Restore Severity Level 1	4 Hours	\$5,000 per day
Where "Restore" means that CGI has done one of the following: 1. Correct the problem; Provide workaround; or 2. Correct a portion of the problem to reduce the	Egregious: Any greater than 24 Hours	\$500 per hour

c. Service Level Descriptions.

i. **Availability During All Hours**

1. **Definitions.**

a. **"Availability"** means the availability for use by intended individual users, System processes or interfacing systems of all features, functions and processes of the System.

b. **"All Hours"** means: All time 7 x 24 each week.

c. **"Maintenance Window"** means the second and fourth weekend of each calendar month starting at 10:00 p.m. Saturday and continuing until 6 a.m. Sunday, provided, however that SOV may require a different maintenance window timeframe as SOV determines is necessary, in SOV's reasonable discretion.

d. **"Scheduled Maintenance"** means System maintenance described in written notice from CGI at least five (5) days in advance that may require unAvailability that is performed within the Maintenance Window and in accordance with such notice from CGI, and for which CGI timely posts a notice of Scheduled Maintenance on the Website according to agreed procedures.

e. **"Scheduled Maintenance Downtime"** means any period of unAvailability for Scheduled Maintenance.

2. **Measurement.** The System will be configured to alarm the unAvailability of any key aspect of the System, and in addition, any unAvailability reported through the Help Desk will be included in the calculations of Availability from the time the unAvailability was first known by CGI either through alarms, the knowledge of its personnel or a report by SOV or another user. CGI will use reasonable efforts during the Statement of Work Term to expand the monitoring capabilities of the System to automatically detect unAvailability of any aspect reported hereunder but not detected by the System automatically. This Service Level will be determined by dividing the number of hours of Availability in the month by the total hours in the month. However, Scheduled Maintenance Downtime will not be included in the calculations for the numerator or the denominator to determine performance on this Service Level

3. **Service Level Credit.** The Service Level Credit will be determined by taking the difference between the required number of hours of Availability in the month and the actual number of hours of Availability during the month, and if a positive number, multiplying the difference (if any) (rounded to the next highest full hour) by the Service Level Credit amount set forth in the Summary Table.

ii. **Content Maintenance**

1. **Definitions.**

a. **"Content"** means all information and materials to be posted on the Website.

2. **Description of Service Level.** The parties will establish an update schedule for updating the Content on the Website. The Service Level measures compliance with each update required under that schedule (each is a **"Scheduled Update"**).

3. **Measurement.** Each Scheduled Update is required to be completed no later than the date and time scheduled, with all Content set for that Scheduled Update successfully updated on the Website.

3. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by each day that the average is above the Service Level. The Egregious Service Level Credit will be multiplied by each hour that is above the Service Level.

vi. **Help Desk Mean Time to Resolve Severity Level 2**

1. **Description of Service Level.** This Service Level measures the mean time for CGI to resolve Severity Level 2 incidents from the time first reported to CGI.

2. **Measurement.** CGI's trouble ticketing system will automatically track the time from initiation of the incident to closure. The incident will be initiated immediately upon notice to CGI.

3. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by each day that the average is above the Service Level. The Egregious Service Level Credit will be multiplied by each hour that is above the Service Level.

vii. **Backup and Recovery**

1. **Definitions.**

a. **"Backup"** means a copy of the data stored in the System used for Recovery purposes.

b. **"Recovery"** means the loading of data from a Backup into the appropriate database of the System.

2. **Description of Service Level.** This Service Level measures completion of the scheduled Backups and of all necessary Recoveries each month.

3. **Measurement.** All Backups and Recoveries will be monitored by the System and completion and failure automatically reported. Time for each Recovery will be measured by the System from start to completion and reported automatically.

4. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by failure to complete the Backup each day that the average is above the Service Level. The Egregious Service Level Credit will be paid for each time that the Egregious Service Level is exceeded.

viii. **Batch Completion**

1. **Definitions.**

a. **"Batch"** means a scheduled program that runs without user intervention. CGI will maintain a list of all Batch jobs run by the System.

2. **Description of Service Level.** This Service Level measures completion of scheduled Batch jobs.

3. **Measurement.** All Batch jobs will be monitored by the System and completion and failure automatically reported.

4. **Service Level Credit.** The total number of Batch jobs completed each day will be divided by the total Batch jobs for the day, and if that quotient is less than the Service Level, Service Level Credit will be paid for that day. The Egregious Service Level Credit will be paid for each time that the Egregious Service Level is exceeded.

5. **Reserved.**

ix. **Disaster Recovery**

SLA	Service Level	Service Credit for Failure
Scanning and Indexing	All documents scanned and processed on average within 3 business days from receipt and none greater than 5 business days	25% of Pool
Indexing Accuracy	99% accuracy of indexing and association	25% of Pool
	Egregious: 10% error rate in any month	\$25,000
Productivity	10 minute average per document for scanning and indexing	15% of Pool
Receipt	Customer notified on average within 2 business days of receipt of document, none to exceed 5 business days	15% of Pool
Appeal File	All relevant documentation sent to SOV for appeal or grievance within an average of 3 business days of SOV request, none to exceed 5 business days	15% of Pool
Account Maintenance Requests	All requests acknowledged within 2 business days of electronic request and 3 business days of paper receipt and processed within 3 business days of receipt	15% of Pool
Renewal Reminders	Renewal reminders will be sent within 10 business days before the start of the open enrollment period and every 30 days thereafter until the open enrollment period ends. Preparing automated electronic renewal reminders will require not more than 8 hours to configure and stage.	10% of Pool
Confirmation Letters	Confirmation letters to be mailed within an average of 2 business days after receiving enrollment notification through the Exchange, none longer than 4 business days.	10% of Pool
Requests for Information Regarding Fiscal Administration	All responses within 3 business days or as otherwise specified in the request for information.	10% of Pool
Reconciliation Report	Enrollment reconciliation will occur within average of 3 business days after receiving enrollment notification from the Carrier, within none longer than 4 business days, and an exception report will be provided to SOV	10% of Pool

c. Pool. For Back Office Operations Service Levels, the "**Service Credit Pool**" will equal fifteen percent (15%) of the total amount billed each month for such Services. SOV has designated a percentage of that pool payable for the violation of each Back Office Operations Service Level as set forth in the Summary Table in Section 2.b, and such total percentages will equal one hundred fifty percent (150%); provided however, that in no event shall the total Service Level Credits for Back Office Operations exceed the Service Credit Pool. SOV may change the percentages it has allocated to each Back Office Service Level each calendar quarter by written notice to CGI prior to the beginning of such quarter.

vi. Account Maintenance Requests.

1. Description of Service Level. These are requests received from the customer through written correspondence, email, telephone requests, on-line chat or entered on-line through the Website. Requested changes include changes to account information such as household size, income or other personal information.

2. Measurement. The System will measure the elapsed time from the customer's request for a change until the change is logged in the System and the day the acknowledgment is sent to the Customer.

vii. Renewal Reminders.

1. Service Level. These are automated announcements (e.g. postings to customer's private webpage, email, telephone or written correspondence) from SOV informing customers of upcoming dates and deadlines for periodic or special circumstances for renewal of coverage in QHPs.

2. Measurement. Renewal reminders will be measured by the System determining the date the renewal reminders are required to be initiated and the date on which the last renewal reminder is transmitted. CGI will also track the hours required for it to prepare automatic electronic renewal reminders and report those hours each month.

viii. Confirmation Letters.

1. Description of Service. These are written correspondence informing the customer that they have successfully completed the process for enrolling in a QHP; enrollee notification from SOV is preliminary and subject to confirmation from carriers.

2. Measurement. The measurement will be the elapsed time from when the System sends the enrollment transaction to the carrier and the date when the System transmits the notification.

ix. Requests for Information Regarding Fiscal Administration

1. Description of Service. CGI will log in the System each request for information regarding fiscal administration issues and log the time it takes to respond, and any time specified in the request.

2. Measurement. CGI will track performance against the time specified in the request or the time period set forth in the Summary Table.

x. Monthly Reconciliation Report.

1. Description of Service. The System will generate a reconciliation report that shows the number of customers enrolled through the Exchange and the number of enrollees reported by carriers. The report will show the differences between Exchange enrollments and carrier enrollments for a given time period by carrier.

3. Commencement. The Hosting Services Service Levels apply beginning on Go-Live. The Back Office Operations Service Levels apply beginning on Go-Live.

4. Exclusions. CGI's failure to meet any Service Level will be excused, and not counted in the calculation of any Service Level (in a manner that excludes the failure in every respect so that CGI is neither better nor worse off in Service Level calculations because of such failure) to the extent that CGI's failure is caused by one of the following circumstances, so long as CGI uses reasonable efforts to avoid and minimize such failure as applicable and consistent with its obligations under this MSA ("**Exclusions**"): (i) acts, errors and omissions of SOV or any of SOV's suppliers or contractors including but not limited to any breach, failure or delay by SOV,

7. SLA Reports. CGI will provide the following SLA reports for each calendar month no later than the 15th day of the following calendar month:

a. Compliance. CGI will provide a monthly SLA compliance report described in a form acceptable to SOV. Each monthly SLA compliance report will report on SLA compliance in both raw form (without taking into account any Exclusions) and then adjusted (taking into account any Exclusions), each of which will be clearly explained in reasonable detail in the monthly SLA compliance report.

b. Incidents. CGI will provide a monthly report summarizing the incidents reported during the month by Severity Level, and their resolution, and root cause determinations for each.

c. KPIs. CGI will provide a monthly report showing performance on all KPIs.

d. Trending. CGI will provide monthly, quarterly and annual SLA trending reports requested by SOV.

e. Analysis and Recommendations. At least every six (6) months, CGI will provide a brief analysis of its SLA performance and recommendations for improvement of its performance.

f. Special. CGI will provide such other information regarding SLAs, performance of the System and Services and other metrics as SOV may request from time to time.

8. Raw Data. CGI will make available to SOV an electronic version of all raw data used to create the SLA report each month

9. Termination. Pursuant to Section 26.2(c) of the MSA, SOV's right to terminate thereunder includes the following:

a. Repeat SLA Violations. SOV will have such right if CGI fails any of the same SLA for three (3) consecutive months or any four (4) months in any twelve (12) month period or if CGI fails at least three (3) SLAs in each of three (3) consecutive months or any four (4) months in any twelve (12) month period.

b. Egregious SLA Violations. SOV will have such right in the event of any Egregious violation. The definition of Egregious violations herein is not intended to set the bounds of a material breach of the MSA, and the parties agree that such definitions will not be used to limit the scope of the definition of a material breach of this Agreement. Each Egregious violation sets forth a Service Level Credit, and for each violation, SOV may elect to terminate under this Section, or receive that Service Level Credit, but not both.

c. Timing of Termination. If SOV elects to exercise the termination rights stated in this Section 9, SOV must elect such right within twenty (20) business days of SOV's delivery of written notice to CGI of the applicable violation.

staffing based on this cost proposal in Section 1.6 of this Exhibit. The Maximum Amount and Maximum Deliverable Costs and timeline for delivering CGI services assume the provision of the SOV resources set forth below to complete the customer-related tasks in the updated Work Plan that will be jointly developed by the SOV and CGI by the Revised Scope Date (as defined below). The customer-related tasks include but are not limited to policy decisions, operational policies and procedures, design, interagency agreements, stakeholder management, internal control plans, and review and approval of Deliverables. As part of the scheduling review before the Revised Scope Date, CGI and the SOV will jointly develop a document detailing the expected resources required, type, and timeline.

SOV Role
SOV Health Benefit Exchange Project Manager
Technical Architect – interaction with existing systems, Security
Carrier Subject Matter Expert
Eligibility Business Analyst
Health Benefit Exchange Business Analysts*
Testing Lead
Reporting Business Analyst

* Responsible for the Exchange functional requirements as defined by CMS, (1) Eligibility and Enrollment (2) Plan Management, (3) Financial Management, (4) Consumer Assistance, (5) Communication and (6) Oversight.

- CGI will utilize its Client Partnership Management Framework ("CPMF") project methodology to facilitate project planning, management, and Project execution and provide the framework for developing the Project Management Plan ("PMP"), which will be completed before the Revised Scope Date. The CGI PMP includes:
 - Document Templates
 - Critical Dependency Procedures
 - Communication Management Plan
 - Change Management Plan
 - Action Item Management Plan
 - Risk Management Plan
 - Project Controls and Standards Management Plan
 - Non-SW Work Product Management Plan
 - Issue Management Plan
 - Human Resources Management Plan
- At the SOV's request to provide more granularity and transparency on project spend, CGI will track and report the monies earned based on the Services provided and Deliverables furnished. Specifically, these reporting requirements and supporting payment processes will be further described in the mutually executed PMP. The list of project deliverables will be finalized before the Revised Scope Date. SOV will use this revised list of project deliverables and the PMP to inform the Independent Verification and Validation (IV&V) process performed as described in Section 1.4 of this Exhibit.
- CGI will establish the SOV Project Library using its CPMF standard Ensemble SharePoint project repository. The SOV Project Library provides mutual access to all Project artifacts, including but not limited to Deliverables, and tracking tools for risk and issue management. During Project startup, CGI and the SOV will

CGI's Commitment to HIX Staffing

- CGI is fully committed to the successful delivery of our Health Insurance Exchange (HIX) projects within the prescribed timeframes. As a company, our highest level of management is engaged and has direct visibility into our projects. Furthermore, we have built an infrastructure to fully support staffing across all of our projects. First, we have assigned a senior member of our HR team to be our company-wide HIX Staffing Coordinator. In this role, she is exclusively focused on staffing our HIX projects and coordinates the staffing between projects and between CGI's internal organizations (internal staffing, external recruitment) as well as selected contracted external recruitment. Within our contracted external recruitment, we have engaged two main types of firms: (1) third party recruiting firms who are focused on recruiting national talent with HIX, health and human services, and/or specialized technical skills and (2) third party recruiting firms who are focused on recruiting qualified local talent.

Identifying and Acquiring Staff

- Based on the position requisitions, our staffing organization identifies potential candidates to fill each requisition through resume review and initial screening. This applies to both existing CGI resources as well as external candidates sourced from either CGI's external recruiting team or by third party contracted recruiting firms. Candidates are then presented to the CGI Project Manager to review. The CGI Project Manager selects which candidates will move on in the interview process. Our staffing organization then sets up three interviews with at least one of the three interviews being an in-person interview. Each interviewer completes an interview assessment form and provides their recommendation. Based on the feedback, the candidate is either approached with an offer or informed that they were not selected.
- Existing staff that are completing their assignments are considered first for positions within the project, depending on the skills match. This method helps to support staff continuity throughout the life of the project. It is critical to balance the skills needed during a project phase with the valuable knowledge that staff members gain by working on the project.
- Whether recruiting internal staff or external job candidates, recruiters work closely with hiring managers throughout the recruitment process to make sure they have a complete understanding of job requirements, that candidates are sourced and referred to hiring managers that possess the requisite knowledge and skills for each position, and that positions are filled in accordance with the schedule, operational needs, as well as providing compliance with State employment-related regulations.
- Our recruiting process includes the accountability, processes, and procedures to effectively and efficiently meet staffing requirements, State requirements, and federal hiring practices. It is flexible and scalable enough to meet changing requirements and operational demands quickly and efficiently.
- Factors such as specific skill sets, experience of staff at commensurate projects, outcome successes of specific staff, cultural fit, and bench strength of the organizations supplying staff are all taken into consideration when determining how and where to acquire staff. For the Exchange Project, many factors were taken into consideration including the:
 - Complexity and size of the project
 - Implementation of newer technologies
 - Types of business problems being addressed
 - Timeframe to implement
 - Proximity to project site and/or experience with virtual teaming

- **Change of Staff**

There are two primary instances when there may be a need to provide replacement or additional personnel. The first is planned staffing changes that result from periods of increased project activity—those

resolution. A Change Order may be executed upon mutual agreement if additional CGI resources are warranted.

1.1.6. Hardware and Software Assumptions

- CGI will be implementing the Exchange in the hosting environments at the Phoenix Data Center and using the CGI Government Cloud services.
- CGI will be implementing the Disaster Recovery environments at a SunGard facility in Philadelphia. Connectivity between these data centers will be the sole responsibility (and expense) of CGI.
- Pursuant to the MSA, CGI will be establishing dedicated "private cloud" infrastructure at both the Phoenix Data Center and the Disaster Recovery environment in a non-multi-tenancy environment.
- CGI will implement required software upgrades of the OneGate solution with the approval of the SOV to support the Exchange Go Live on October 1, 2013 at no additional cost. These upgrades will be specified in the Work Plan and activities managed by the SOV Project Manager and CGI Project Manager.
- CGI will procure and establish the technical infrastructure for the Exchange within the timeframes outlined in the detailed Work Plan and consistent with the capacity assumption of 63,000 residents in the first year of the contract, and 78,750 residents in second.
- If it is mutually agreed that a third party software product is not needed to meet Exchange requirements, the software can be removed from the Exchange solution. This does not affect CGI's obligation to meet all requirements of the Project.

1.2. Assumptions – Design, Development, Implementation (DDI)

1.2.1. Design and Requirements Validation

- The SOV is responsible for working with CGI to confirm to support accurate and complete functional fit analysis before the Revised Scope Date.
- CGI will lead Requirements verification sessions with the SOV, and provide updated requirements documents for review and sign-off by SOV staff.
- CGI will lead the Design sessions and use the One Gate System to facilitate a gap analysis between the existing system and what needs to be configured or developed for the SOV.
- The SOV will facilitate dedicated time from other agency functional and technical resources knowledgeable in their systems requirements to facilitate interface design.
- The current project plan projects requirements validation will be completed by 1/31/2013. To be able to create a project plan specific for Vermont, we will need to take an "initial" requirements validation step. The scope of the validation will be drive from the VT RTM. The initial step will be to review each of the requirements in the RTM to reach a common understanding of what they mean in terms of system functionality. We are assuming that some requirements will be removed and some requirements added. Once this step is complete we will have a more complete understanding of the true scope of the effort, therefore allowing us to complete an initial project plan. Based on what we know now, we believe this initial step can be completed in 5 to 7 days dependent on staff availability. The output of this work can be captured with an additional column in the matrix table. Once we have completed this initial phase, we can pursue the next phase in which we either demonstrate the requirement within the COTS products, or design it as a "gap" using use case type documentation. It is expected that this step could require 15 to 20 days to complete. This later step is further defined below:
- Requirements Design Integration
 - Demonstrate and discuss the requirement
 - After the requirement is demonstrated, we will ask for agreement that the requirement has been met or validated. If the requirement is demonstrated in a way for which we can validate that we

implementation of MAGI eligibility will be accomplished outside the scope of this effort.

1.2.2.2. Interfaces

- The State and Federal Systems/Applications that integrate with the Exchange will be available during System Integration / UAT with data to test end to end scenarios.
- The SOV is responsible for facilitating CGI's access to and ensuring the availability of access to State systems and interfaces.
- CGI and the SOV will develop a list of required interfaces within the Project Plan, through the 'interface deliverables.' The SOV will provide such interfaces through inter-agency agreement with the State Agencies and secure production files for the final testing of the system interfaces.
- CGI will provide an interface to the Federal Data Services Hub. Cost for the configuration is not included in the Maximum Amount.

1.2.2.3. Reporting

- The SOV will provide trained and qualified staff for reviewing and approving the reports requirements and designs developed by CGI for the Exchange.
- CGI will provide the Data Warehouse Data Model, ETL Layer, and SOV reports creation capability. CGI will provide the required CMS reports, all reports defined in the SOW, and an additional 2,000 hours a year of support to assist the SOV in formatting and producing reports.
- The Maximum Deliverable Cost includes an extract to CMS for Risk Management Corridor Adjustment processes, but the data collection requirements and analysis remain undefined and are not included in Maximum Deliverable Cost.

1.2.2.4. Policies, Procedures, and Internal Controls

- The SOV is responsible for developing the internal control policies and executing inter-agency agreements for the Exchange.

1.2.2.5. Training

- CGI will provide a dedicated Training Manager for the Project. The SOV will designate dedicated Project leads to support Change Management and Outreach activities. The SOV Change Management and Outreach Project leads and the CGI Training Manager will coordinate activities to support the timely completion of tasks identified in the Work Plan.
- CGI will provide and deliver Train the Trainer curriculum. Training activities will occur within the State of Vermont. The SOV will provide adequate and appropriately skilled staff to serve in the role as Trainers.
- The SOV will assist in identification of roles, positions, audience groups and the training requirements for each role and position. It is assumed that learners will participate in the training events identified in the Work Plan.
- CGI shall provide and maintain the rooms and the necessary equipment and resources to accommodate, support and deliver training in a variety of methods including instructor led and computer based training, online tutorials, and podcasts.

Item	Approach	CGI Pricing Approach
Financial Management	Review solution options and determine relevant requirements	CGI removed effort to be provided by Healthation to configure their product. CGI left effort for creation of interfaces to a premium billing solution. CGI did not alter estimates for integration with financial management solution. We do not have enough data to indicate what direction this might go with additional analysis.
Call Center	Review solution options and determine relevant requirements	CGI removed staff for answering calls, but left IT services for standing up Siebel solution. We do not have enough data to indicate a likely direction after analysis.
Reuse Analysis	Evaluate schedule and cost implications of possible reuse/leverage from Hawaii and other CGI HIX implementations	CGI expects that there will be some opportunity for reuse that would reduce services cost and level of effort. This requires careful planning and analysis.
Hosting	Refine SOV hosting requirements (e.g., number of environments, network connectivity, etc.) pending analysis and evaluation of solution options	CGI refined the hosting costs to address VT RPO/RTO as well as changes related to THE REMOVAL OF THE Healthation product. Addition of one or more environments would increase cost.
Test Strategy, Approach, and Plan	Determine the approach, timing, tools and staffing for end-to-end testing of the solution to be delivered under the contract	Hawaii strategy was not altered in any way, so VT requirements need to be understood. No information available to indicate direction of impact on cost.
Deliverable Inventory Confirmation	Identify and confirm the complete, in-scope inventory, timing, and finalization of project deliverables. A preliminary deliverable inventory is provided below and should be aligned to the CGI project approach.	Used Hawaii assumptions. Vermont specific inventory needs to be agreed upon. Insufficient information to identify an impact on price.
Offshore Scope	Determine the scope and approach for enabling offshore delivery to SOV-CGI agreed upon scope components.	No delivery work outside of the US. Use of offshore resources could reduce cost.

- Disposition of logged issues and risks
- Important decisions

Start Up and / or Inception Deliverables

Roles and Responsibilities Plan (HR Plan)

The roles and responsibilities for staffing the different activities, articulating what the Vendor will need to provide and what the State should provide; includes a project-wide RACI chart.

Scope Management Plan

This plan documents the project vision and goals, items that are in-scope and out-of-scope and their prioritization, dependencies between the scope items, and risks associated with the inclusion and removal of items from scope. The plan also defines the process used to modify project scope.

Cost Management Plan

The Vendor is responsible for developing a Cost Management Plan that indicates how project costs will be incurred, controlled, and reported. The plan must include the finalized cost and budget for the project. Cost-related progress report formatting will be developed and included by the Vendor, consistent with State requirements and format, and must include a tracking of costs to the project budget baseline.

Schedule Management Plan

The Schedule Management Plan developed by the Vendor must include the following:

- How the project schedule will be monitored for variances
- What types of corrective actions will be taken to address schedule variances during the life of the project
- The process, roles, and responsibilities involved in making changes to the project schedule.

Communication Management Plan

The Communication Management Plan must detail the varying levels and needs of the project's stakeholders for information regarding the project, status, accomplishments, impact on stakeholders, etc. The Communication Management Plan must define:

- The communication vehicles
- Target stakeholders
- external stakeholder communications
- Scope and frequency of the project's communications vehicles

As part of Communication Management, Issues must be logged and reported weekly and the plan must detail the escalation mechanisms for Issue resolution.

Quality Management Plan

The Vendor's Quality Management Plan must have the following elements:

- Defined quality assurance responsibilities

- Deliverable approval periods

Final Work Plan and Schedule

The Vendor must deliver a master work plan including Gantt charts and a project calendar in Microsoft Project. The master work plan must reflect any changes from the plan submitted with the Vendor's original proposal that were discussed and agreed to during the project initiation meeting.

The work plan must be maintained throughout the life of the project and will be updated as necessary (weekly at a minimum) to reflect the accurate status of the project

Performance Management Plan

The Vendor must help identify target performance areas and proposed methods of measurement; establish the baseline metrics for the agreed upon goal areas; define Design Development and Implementation and production performance measures and assist the state in determining the level of achievement of the performance goals.

Requirements Analysis, Validation and Development Plan

This document must detail the Vendor's approach to the method of capturing and maintaining requirements traceability throughout the development process. This plan must detail the methods, tools, and technologies used to capture, catalog, and manage System requirements and building upon and maintaining use cases and functional and non-functional requirements.

Elaboration Deliverables

System Design Plan

This document must detail the Vendor's approach to System design. This plan must ensure that the System conforms to defined standards for System design and Systems architecture. This plan must also ensure that Enterprise Architecture (EA) requirements within the State are taken into consideration during the System design. This plan must ensure the completeness and level of detail in design specifications.

System Development Plan

This document must detail the Vendor's approach to System development. The Plan must ensure that necessary tools and technologies are in place for development. It must also ensure that the technical interpretation of requirements is being appropriately managed such that System functionality does not deviate from expectations. Subjects that must be covered include:

- Development methodology selected
- The system development process
- Software development standards
- The methods for maintaining requirements traceability of system requirements from the original baseline functional and Non-functional requirements document throughout the development process
- The development change control and configuration management processes

The Vendor is required to utilize industry standard automated configuration management and version control tools. The Vendor is required to propose these tools as part of their response.

Detailed Functional and Non-Functional Requirements Traceability Matrices

Detailed functional and Non-functional requirements traceability matrices. Definition of the services for the target SOA architecture

SOA Handbook

SOA handbook for the solution that details the approach and results of gathering and developing requirements for the SOA environment, including but not limited to:

- Identify the services required to support key scenarios
- Identify the services that are common across scenarios
- Establish the right level of granularity for services
- Collect requirements for the services that will support external and internal partners
- Prioritize services and application integration based on impact to customers, suppliers, and partners
- Describe how the development and deployment of services will comply with and take advantage of the SOA governance established for the HSE Platform
- Define metrics that tell how well the needs of each community are being satisfied

SOA Functional Requirements

Functional requirements for the new System in a SOA compliant architecture. Within the requirements document, applications will need to be redefined as sets of business objects and related services, and also provide the constraints under which the Systems and applications must operate.

SOA Non-Functional Requirements

Non-functional requirements for implementing an SOA compliant architecture. This document must detail the operational, security, integration and performance requirements and incorporate the industry best practices and standards.

System design includes application design, interface design, and conversion design. Detailed and logical application design documents must direct the application development efforts.

System Architecture

The SOA model-driven architecture framework being used across all the domains (e.g., services, trust and security, infrastructure, etc.) that enable the development of service-oriented models to facilitate the interaction and communication of technologies. This document must provide details around the set of technologies that support operations, incorporating the industry best practices and standards. This document must detail the disciplines of design patterns, information architecture and technology infrastructure and describe the conceptual, logical and physical architectures for the targeted baseline System. The architecture document must include the SOA principles around SOA layers definition, the service providers/consumer definition and the service broker definition.

SOA Models

Services portfolio which identifies, defines a service hierarchy, and classifies the services based on this hierarchy. SOA modeling must include:

- System overview diagrams
- Domain model
- Process flows
- Use Cases

Technical Design Document

The Technical Design Document (TDD) reflects the final requirements for System configuration and operation.

The Technical Design Document must include the following components:

- Detailed description of System architecture
- Entity Relationship Diagrams
- Data Flow Diagrams
- Data Dictionary
- Processing controls
- Processes to manage System installation and configuration
- Data backup procedures
- Security controls
- Availability and resilience controls such as load balancing, failover capabilities, and fault tolerance

The Technical Design Document must include, at a minimum, the interface definitions and design (e.g., including XML/SOAP specifications for file formats), the new System design based on reviewing existing class diagrams, sequence diagrams, updated object models that represent the internal workings and designs of the containing subsystems that will expose the services, and the component specification (details of the component that will implement the service) and service assignment to each layer defined in the System architecture.

The final TDD will, together with the approved FDD, constitute the complete System definition for the new System. The FDD and the TDD together will constitute the agreement between the state and the Vendor regarding the functionality and operation of the new System. The two documents will be the documentation used by the Vendor during System development and use cases, and will be the basis for the development of the User Acceptance Test (UAT).

Solution Implementation Design

The Solution Implementation Plan, or its equivalent, reflects the final requirements for system implementation. The plan at a minimum should cover the following components:

- Description of Implementation
- Points-of-contact
- Major tasks
- Implementation schedule
- Security and privacy
- Implementation support
- Hardware, software, facilities and materials

- ☐ Security patch management
- ☐ Detailed diagrams depicting all security-related devices and subsystems and their relationships with other systems for which they provide controls
- ☐ Secure communications over the Internet

Disaster Recovery / Business Continuity Plan

The Disaster Recovery/Business Continuity Plan must describe how the State can provide information to their customers in the event of a disaster. At a minimum, the plan must include the following:

- Backup and recovery procedures as well as disconnected operational capability to ensure that the system can continue to operate in the event of an unexpected destruction of hardware, software, or communications through System failure, disruption of connectivity or natural disasters
- Arrangements for backup hardware or processing sites; off-site data storage; schedule for creation of backup media; and detailed recovery procedures for all anticipated types of disasters
- A description of each anticipated type of disaster
- Escalation plans that specify the necessary points of contact and decision-making authority at the State offices and local provider levels.

The Disaster Recovery/Business Continuity Plan must be developed and validated to comply with the business needs, the State's standards and industry best practices. As part of the Disaster Recovery/Business Continuity Plan:

- Roll-back plans must be developed and validated for use in case of System failure during turn over to production
- Plans must be put in place for the stand-by of key support resources during turn-over to production activities
- Potential go-live System failures and action points need to be identified and mitigation plans and actions have to be developed and validated
- Key project resources have to be trained in recovery procedures

Infrastructure Services Plan

The Infrastructure Services Plan addresses, at a minimum the design and implementation of the following infrastructure items related to the System:

- Remote Access Infrastructure
- Patch and Remote Security Management Infrastructure
- Service Desk Enhancements
- Code Migration Infrastructure
- Software Configuration Management Infrastructure
- Change and Release Management
- Data Retention and Archiving Infrastructure
- Performance Reporting Infrastructure

System Development Deliverables

Phased and staged delivery of functionality and as listed in the Deployment Approach and distributed through

- Stability of all modules and components in the test environment.

This readiness certification will be the statement that the System has passed all internal testing and is now ready for UAT.

Site Readiness Reports

Site assessment reports based on the results of the site assessments addressing all relevant remote sites in the State.

Technical memorandum identifying any areas of concern related to the implementation of the new System at a particular site. This report will also explain the cause of the issue at that particular site and make recommendations on how each issue will be remedied before the rollout of the new System.

UAT Report

A report documenting all the test results including any errors and resolutions identified as a part of the UAT test

The UAT report must summarize the UAT results and whether the UAT objectives were met. At a minimum, it must cover:

- Achievement of UAT objectives
- Test execution results by test cycle
- Test execution statistics and trends
- A plan to address any UAT test issues still unresolved

FAT Report

Final Acceptance Test report documenting all the test results including any errors and resolutions identified as a part of the FAT test

The FAT report summarizes the FAT results and whether the FAT objectives were met. At a minimum, it covers:

- Achievement of UAT objectives
- Test execution results by test cycle
- Test execution statistics and trends
- A plan to address any UAT test issues still unresolved

Transition Deliverables

System Operations Documentation

System Operations Documentation that describes all required Systems operational activities and provides guidance on System maintenance and enhancement practices, tools, and approaches. Additional documentation, such as Custom off the Shelf (COTS) software user manuals if applicable.

The System Operations Documentation encompasses System functionality from a remote user's perspective, a State business user's perspective, and from an information technology and System operations perspective.

These manuals must include the following types of information:

materials, provide a description of training methodology, include a detailed list of topics to be covered for each type of training, and describe the methodology for evaluation of training effectiveness.

The plan provides an overview of tools and materials to be employed in the training including workbooks, handouts, evaluative materials, and a training System if employed. The types of training will include, at a minimum, remote user, State office user, Enterprise System Administrator, and "train-the-trainer" training.

Training Materials

The training materials will include items used to conduct the training sessions for the System which will ensure that training objectives are met. These materials can include presentations, demonstrations, activities, handouts and other required documentation. These materials must also include training plans, evaluation materials, and training maintenance and support plans. An electronic copy of all training materials must be provided.

Training materials will be required for each of the training types described in the training plan. Training Materials should be incorporated into the system as online help files accessible to users online. Each individual trainee should receive a copy of the training materials

Infrastructure Services Deployment Report

The infrastructure Services Deployment deliverable, at a minimum, must address the implementation of the following infrastructure services related to the System:

- Remote Access Infrastructure
- Patch and Remote Security Management Infrastructure
- Service Desk Enhancements
- Code Migration Infrastructure
- Software Configuration Management Infrastructure
- Change and Release Management
- Data Retention and Archiving Infrastructure
- Performance Reporting Infrastructure

System Maintenance, Support and System Transition Plan

A written plan for the transition of system maintenance and operation to the state, including notification of any procedural, staffing, or resources requirements.

System Incident Reports — Warranty

All incidents and defects that occur during the Warranty period that are part of the System scope (and under Warranty agreement) must be documented and communicated within a reasonable, agreed upon time frame, on a regular basis. The incident report must contain the severity of the incident, a description of the incident, incident resolution status, and the proposed course of action for remedying all open incidents.

Corrective Maintenance Reports

All corrective maintenance requests that are part of the System scope that occur during the Warranty period must be documented and communicated within a reasonable, agreed upon time frame, on a regular basis. The maintenance

Adaptive Maintenance Reports

All adaptive maintenance requests that occur during the M&O period will be documented and communicated within a reasonable, agreed upon timeframe, on a regular basis. The maintenance report will contain the description of the maintenance request, resolution status, and the proposed course of action for remedying all open maintenance requests.

System Enhancements Reports

All system enhancement requests (changes requiring 200 or more hours of effort) that occur during the M&O period will be documented and communicated within a reasonable, agreed upon timeframe, on a regular basis. The enhancement report will contain the description of the enhancement request, progress, and the test results and outcome of each request.

Closure Deliverables

Updated System Source Code and Documentation — Phase Completion and Project Closeout

At the completion of the Warranty or M&O period(s), conduct a review with the state and identify any documentation that must be updated as a result of changes during the Warranty or M&O Period(s). Updated documentation provided to the state for review and final acceptance.

1.4. SOV Quality Assurance (QA) / Independent Verification and Validation (IV&V) Vendor Support

Quality Assurance (QA) is a review process performed by an organization that is technically, managerially, and financially independent of the Vendor organization. AHS understands the importance and strongly endorses the use of QA to ensure a successful System. AHS will contract for QA services to support the success of the Project. QA and project oversight activities related to the project will be performed by the Quality Assurance provider that has been selected by AHS.

QA Verification uses iterative processes throughout the SDLC to determine whether the plans, methods and products delivered fulfill the requirements placed on them by previous iterations, phases and steps and are internally complete, consistent, and sufficiently correct to adequately support the next iteration, phase and step.

QA Validation is the process of examining and exercising the complete application (software, hardware, procedures, and documentation) to determine whether all stakeholders' requirements have been met. QA Validation begins at the beginning of the SDLC phase and deliverable to ensure that the plan and approach will move in a direction to eventually satisfy stakeholder needs. QA Validation also occurs at the end of the SDLC phase and deliverable to ensure the deliverable truly meets the latest requirements of the stakeholders (regardless of how many times these requirements may have changed during the project)

The State has selected Gartner Consulting as the QA/IV&V Vendor. The QA/IV&V Vendor will work in partnership with the State and the Project Director and perform the following functions:

- Review project planning deliverables to ensure they are sufficient and meet applicable project standards

- Review ongoing project processes, methods and activities

1.5. State of Vermont Health Services Enterprise Program Office of IT Projects Structure

State of Vermont Health Services Enterprise Program Office of IT Projects

AHS and Department of Information and Innovation Project Roles and Responsibilities

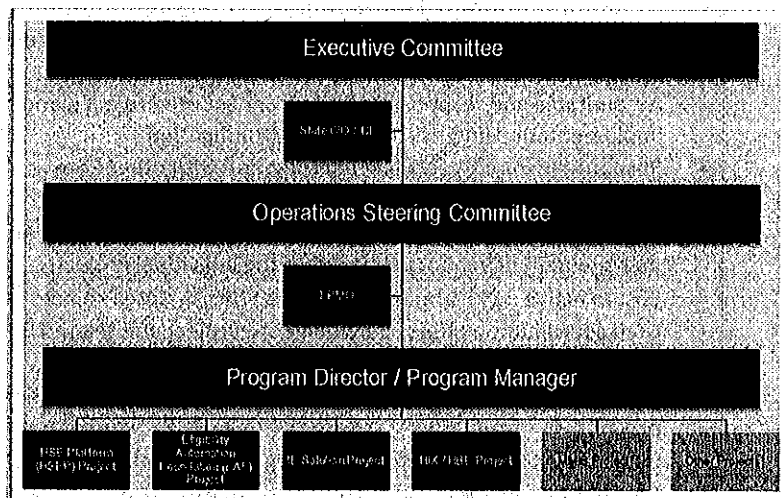
Role	Function
Project Sponsor	<p>The Project Sponsor assumes project ownership and performs the following functions:</p> <p>Assumes project ownership, and is the highest possible level of project review and provides policy leadership and oversight as needed. Reviews and resolves policy, fiscal, and resource allocation issues that cannot be resolved at lower levels.</p> <p>Ultimately accountable for securing spending authority and resources. Acts as a vocal and visible champion, legitimizing goals and objectives.</p>
Executive Committee	<p>The Executive Committee will be comprised of senior management personnel and representation from the Project facilitated by an appointed chair person who will be part of the committee, and the committee will convene regularly to provide direction or support required to the project and to support the Project Director.</p>
Project Director	<p>The Project Director is responsible for the overall success of the project through planning, directing, and overseeing the activities of the Project resources.</p>
Project Team	<p>The Project Team will be comprised of the various SMEs from both the business and technical spheres and end users from the State, and Local Agencies, as well as QA team members. This team will assist in various day-to-day activities and/or key milestones of the project.</p>

Role	Function
	the State Project Manager, project management team and Vendor Project Managers.
QA Leads	Quality Assurance (QA) Lead is responsible for ensuring that all System components are error-free and meet Project's expected level of Quality. Responsibility includes defining and managing the QA process throughout the SDLC (System, Integration, UAT, Formal Acceptance Testing (FAT) and Pilot Testing) and managing various QA resources at each phase of Testing.
Business SMEs	Business SMEs from all involved business units will be asked to participate in the requirements definition process, data cleansing, QA and testing and training efforts. Business SMEs will be utilized on an as-needed basis and at key milestones of the project.
Technical SMEs	Technical SMEs from all involved IT units will be asked to participate in the non-functional requirements, design, and data conversion, QA and testing and training efforts. Technical SMEs will be utilized on an as needed basis and at key milestones of the project.

Health Services Enterprise (HSE) Program Management Office Structure and Responsibilities

The following Figure describes the current structure of the HSE Program Management Office within AHS. Due to the interlocking functionality of the projects, each project team will be highly informed of the activities happening within the other projects within the PMO. The Vendor will be expected to support Program-level and inter-project communications between project teams to ensure proper transfer of knowledge between them.

HSE Program Management Office



1.6. CGI Organizational Chart

SOV HBE Organization Chart
 Draft as of 12/8/12

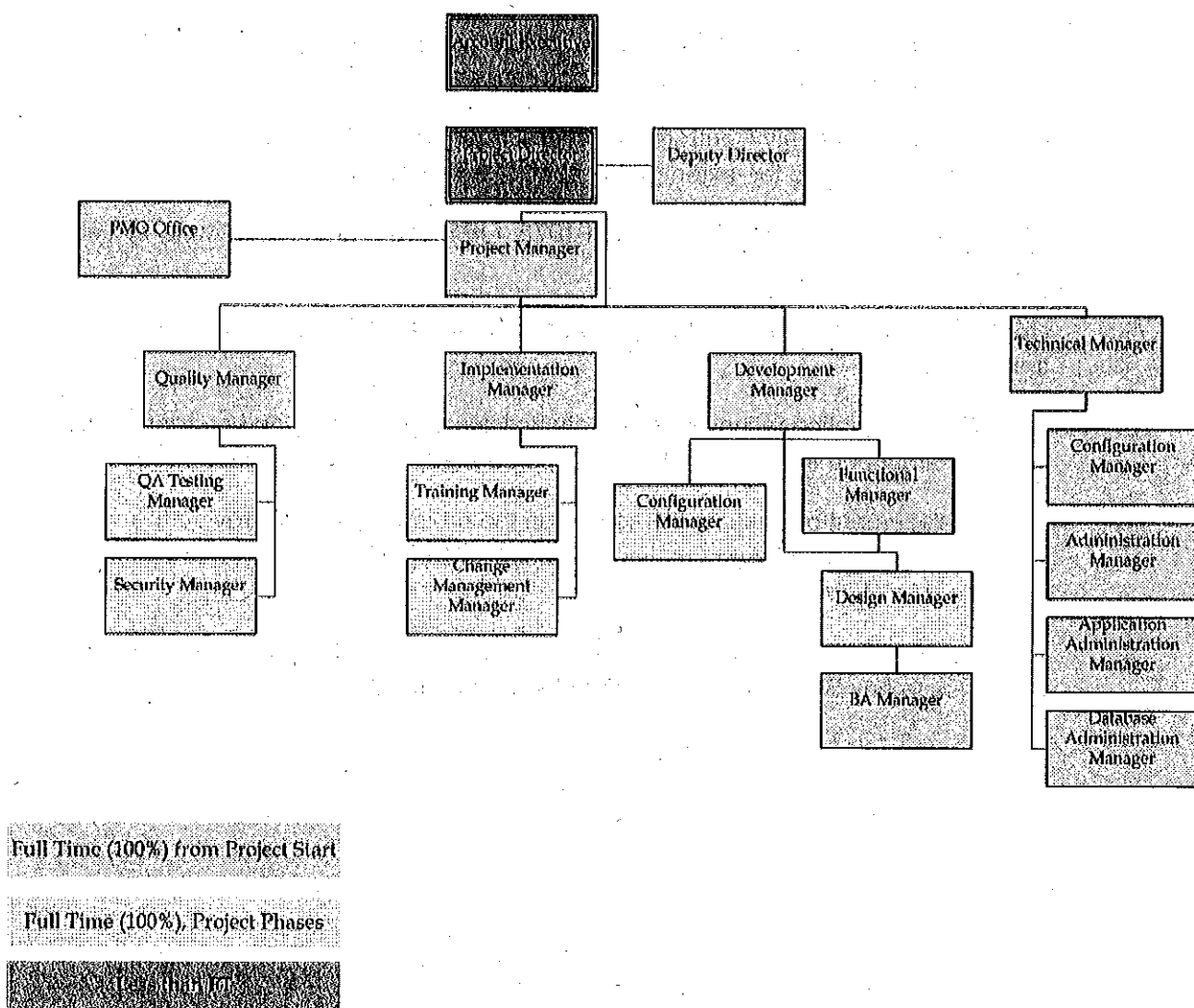


Exhibit F-1

Background Checks

Supplier shall perform the following background checks as required by the parties' Master Services Agreement:

- (a) Social Security verification – uses credit bureau header records or a similar type of database, to develop AKA's, residential history, and likelihood of SSN belonging to candidate;
- (b) seven year criminal history (felony, misdemeanor), based on residence, education and employment addresses – reviews criminal history based on all names provided and developed, all jurisdictions provided and developed; county and federal levels;
- (c) National Criminal Locator (NCRL) – reviews criminal history based on review of jurisdictions in which the candidate may have a criminal record; and
- (d) Global Watch Alert (GWA) - a check of numerous government watch lists that include individuals, organizations, and companies that have been placed on watch status by the United States Government, European Union, United Nations Security Council, World Bank or foreign governments.

No Supplier Personnel shall be placed on the project with SOV until any required investigation is complete; provided, however, that background checks on Supplier Personnel that otherwise comply with this Exhibit F-1 and were conducted no more than twelve (12) months prior to placement with SOV shall be considered complete.

No Supplier Personnel will be placed on the project when a felony conviction is present or a misdemeanor conviction that involves a crime against a person; a crime involving the use or misuse of computer network; a crime involving weapons, explosives or arson; a crime involving trade secret/proprietary information; a crime involving theft, dishonesty, embezzlement, breach of fiduciary duty, identity theft, or other financial-related crimes, or a crime involving illegal drugs and/or controlled substances.

Exhibit H

Change Control Procedures

1. Change Control Procedures

1.1 The SOV and Supplier acknowledge and agree that performance of Services may require the continued and dynamic setting of priorities based on, among other things, changing volumes, transactions, products, operations, business processes and services, the marketplace, legal and regulatory requirements or any other changes necessary to satisfy SOV's on-going requirements, as well as the dynamic changes that are anticipated to occur in the Insurance Industry Regulations. The SOV and Supplier shall use the following Change Control Procedures to implement any and all changes to the Services set forth in a Statement of Work.

1.2 From time-to-time during the Statement of Work Term, SOV may request changes to the Services, without limitation, to respond to changing industry requirements or requests from changes of SOV's Clientele, improve the efficiency of or enhance existing Services, reduce SOV's cost for Services under the Statement of Work, take advantage of technological, operational or economic opportunities that arise during the Statement of Work Term or otherwise. SOV's request for changes may be initiated by recommendations, suggestions or proposals from Supplier, third parties, including Affiliates, subcontractors, agents and representatives of Supplier or initiated by SOV, or SOV Clientele. Supplier acknowledges and specifically agrees that, consistent with the provisions of Section 4.2 of the MSA [Changes to Statements of Work], unless specified to the contrary on a Statement of Work (and then only within the specific parameters and under the conditions specified therein) under absolutely no circumstances shall Supplier modify, alter, eliminate, diminish or otherwise change any technology, operations, processes, methodologies or other means by or through which the Services are provided hereunder, whether or not Supplier believes, in good faith, there will not be any adverse effect on any Service, feature, function or capability or the quality, performance or level thereof, unless and until Supplier has obtained SOV's specific and explicit approval and consent in writing thereto, which SOV may withhold in its sole and absolute discretion.

1.3 All changes to the computer systems used by Supplier to provide Services shall be subject to a change management process implemented by the SOV and Supplier to document, test and accept such changes and then migrate them into production according to industry best practices.

2. Proposal and Consideration of Changes

2.1 Through a process of mutual consultation and discussion regarding any proposed change to Services, Supplier will prepare and present to SOV for review and evaluation, materials and information which define, describe and identify, the nature and extent of the change to Services contemplated hereunder. Supplier shall include a comprehensive analysis and statement of the material impact and effect of such change on each and every aspect of the Services, whether applicable to the particular Statement of Work or any other Statement of Work or Services. The information and materials prepared for SOV's review and consideration hereunder shall be no less comprehensive or detailed and shall be prepared with the same

mutually agreed upon by SOV and Supplier, subsequent to any initial information, commentary, modifications, etc., which may have been exchanged during discussions and contained in drafts of the proposed Change Order.

3.3 Without an explicit request for additional time from SOV, if no modifications are made to the proposed Change Order or if modifications are accepted and approved by SOV, it will become effective and constitute an amendment to the Statement of Work(s) involved and referenced therein, only when approved, accepted and duly executed by authorized officers of SOV and Supplier. SOV's failure to approve or reject and/or to execute any Change Order in writing, shall be deemed a rejection of Change Order, without liability or obligation of any kind, and no Change Order shall be implemented, deemed effective or applicable to any Statement of Work or any Services hereunder unless and until duly executed by authorized officers of SOV and Supplier.

3.4 Supplier shall specifically include, in each proposed Change Order, a description of the impact that it reasonably believes any modification contained in the Change Order will have on the Services.

4. Cancellation, Suspension and Delay of Change Orders

4.1 SOV may, upon written notice to Supplier given at any time or times after a Services Change Order has been executed by SOV and Supplier, cancel, suspend or delay the implementation, effect or continuation of any change to Services or any Services Change Order, in whole or in part if, in SOV's sole judgment and discretion and for any reason, SOV's business needs so require; provided, however, that the Change Order may contain a term during which the changes described therein shall be effective without such right to terminate for convenience, and in such event, the terms of the Change Order shall control. In the event of a cancellation, suspension or delay as permitted hereunder, Supplier shall only be entitled to charge SOV for any actual Services thereunder previously rendered and/or any actual, unavoidable, incremental, Out-of-Pocket Expenses paid by Supplier (without mark-up of any kind) in implementing such Change Order up to the date SOV cancelled, suspended or delayed such Change Order, not to exceed the total amount authorized under the Change Order.

4.2 With respect to any Change Order which has been suspended or delayed by SOV as permitted hereunder, SOV may, by written notice to Supplier at any time or times: (i) require the resumption and continuation of such Change Order; and/or (ii) may request modifications to all or any portion of the Change Order which, if SOV and Supplier, agree in writing, shall constitute an amendment and be incorporated into the Change Order for all purposes thereafter to enable such Services Change Order to resume or be continued; or (iii) permanently and completely cancel such Change Order, in which event such Change Order shall be deemed terminated and of no force and effect whatsoever, without further obligation or liability of any kind with respect thereto.

5. Independent Review of Change Orders

Attachment H1

Form of Change Order

STATEMENT OF WORK NUMBER: _____

CHANGE ORDER NUMBER: _____

CHANGE ORDER EFFECTIVE DATE: _____

PART 1- KEY CONTACT INFORMATION

1. SOV Statement of Work Manager Contact Information:

Name:
Address:
Telephone:
Fax:
Email:

2. Supplier Statement of Work Manager Contact Information:

Name:
Address:
Telephone:
Fax:
Email:

3. Description of Requested Change to Services:

4. Description of Proposed Change:

5. Impact of Proposed Change:

6. Documentation:

7. Implementation Plan:

8. Milestone Schedule:

9. Resource Requirements:

10. Acceptance Test:

11. Additional Information:

EXHIBIT I -- HOSTING SERVICES

The terms and conditions of this Exhibit I apply to all Services provided by CGI to SOV in which CGI will be hosting any information or technology systems on behalf of SOV ("Hosting Services") and are in addition to and without limitation of CGI's obligations in the MSA, including without limitation any other of the Exhibits thereto. For avoidance of doubt, where a higher standard applies to the Services in the MSA, such higher standard shall control.

General

CGI shall provide to the SOV the Hosting Services, including the Health Benefits Exchange application ("the Exchange"), 24 hours per day, 7 days per week throughout the Term in accordance with standards and requirements set forth herein and subject to the Service Level Exhibit.

1.1.1. Disaster Recovery and Business Continuity Plans

CGI represents to the SOV that it has and covenants that it shall maintain throughout the Term a: (i) disaster recovery plan and the necessary resources and capabilities covering the data center facilities used by CGI to fully perform the Services under this MSA, such that CGI's performance under this MSA would not be adversely affected if CGI's data center facilities were rendered inoperable or inaccessible ("DR Plan"); and (ii) business continuation plan and the necessary resources and capabilities required to fully perform the Services under this MSA, such that CGI's performance under this MSA would not be adversely affected if CGI's facilities where the Services are performed became inoperable or inaccessible ("BC Plan"). The DR Plan and the BC Plan, or reasonable summaries thereof to enable the SOV to verify the sufficiency of each such Plan, will be made available to the SOV for review upon the SOV's request. At least annually or more frequently as may be conducted, CGI shall provide to the SOV a copy of: (i) to the extent they perform such review, CGI's auditors' report, or portions thereof applicable to the SOV's business; and (ii) any other review conducted by a third party, including, without limitation, regulatory agencies, public or private certification entities such as the International Standards Organization, but excluding such reviews conducted by other customers of CGI. The SOV acknowledges that such reports provided by CGI under this Section shall be considered CGI confidential information, subject to Section 21 of the MSA.

1.1.2. Procurement of Hardware and Other Items

CGI shall be responsible, for procuring and maintaining the computer hardware, systems software and other third party software, data feeds, telecommunications, networks, peripherals and other items and services (collectively referred to as "Third Party Products"), which comprise the specified configuration ("Specified Configuration") required at the hosting site, and for updating the Specified Configuration in accordance with CGI's published updates.

1.1.3. Operations Monitoring

All systems monitoring functions will be the responsibility of CGI. CGI will develop and maintain current documentation on all operations procedures and services. Monitoring functions to be

- d. Proactive efforts to continually enhance monitoring activities.
 - e. Tracking and publishing issue resolution response times.
 - f. Maintaining application and system operational performance metrics as listed the Service Level Exhibit.
2. Such management of performance includes providing operating system/hardware and application performance monitoring and prompt cause-level resolution of issues to ensure performance standards are achieved as outlined in the Service Level Exhibit.

1.1.5. Error Handling / Metric scripts

CGI will monitor output error handling tools and codes as well as maintaining and monitoring of metric scripts. Activities to be performed by CGI include:

- 1. Investigating error-handling problems at database and server levels.
- 2. Maintaining error codes and configuration data.
- 3. Investigating problems with metrics scripts and the batch schedule.

1.1.6. Provision and Installation of Updates

CGI will install updates to the software and/or operating system from time to time during the term of this MSA and upon coordination with the SOV. All installed updates will be done within the guidelines of the Exchange Change Management Procedures and in accordance with any FDA validated procedures set forth by the SOV and solely for the SOV without modification to CGI's SSAE-16 audited processes. Notwithstanding this, in the event of an emergency that either does or will immediately affect the Services, CGI may install a patch or an update without advance notice to the SOV, and within the guidelines set forth in emergency change management procedures.

- 1. Management. CGI shall install, operate and support the hosting environment, defined to mean the Software, the server hardware, disk storage, data transfer rates, server operating systems, databases, web server programs, and other components necessary to provide the Services.
- 2. Backup Services. CGI will provide backups as detailed in copies of backup tapes (as applicable) are stored both onsite and at an off-site storage facility.
- 3. Technical Support. CGI shall provide technical support to the SOV. Technical support includes: (i) toll free telephone support, 24x7, (ii) at least named technical support contacts, (iii) access to CGI's Technical Support Center via fax, email, or toll free voice mail, (iv) 24 x 7 access to general online support (excluding system downtime for scheduled maintenance), the web based support center providing various services and other information, and (v) 24 x 7 access to technical support, providing the SOV with direct access to the technical support knowledge base.

e. Monitoring to ensure successful completion of backups and performing additional backups as necessary.

1.2.3. Operating System Administration

1. CGI will provide technical support and systems administration for server environment, including installation and upgrades, disk partitioning, file system layouts, parameter settings and interfacing with DBAs and operation support areas to deliver services.
2. Providing Windows, Linux, and Unix system administration support as required.
3. Installing and maintaining system management tools and 3rd party tools.
4. Installing operating system upgrades annually and patches as necessary to support new application functions or to address bugs.
5. Performing required stops and starts of servers. Monitoring system for unusual messages during start-up, system operations, and shutdown; escalating as necessary.
6. Performing workload balancing across the environment's server and disk farms to optimize throughput. Continuously monitoring server environments for highly utilized disk and growth across file systems.
7. Managing storage performance and ensuring contention is minimized at the disk and controller levels. Making recommendations to the SOV on file and tablespace placement and disk partitioning and striping to improve performance.
8. Tracking and applying operating system patches with the SOV's approval. SOV requires that all patches are tested in a test environment prior their release into production.

1.2.4. Hardware Maintenance

CGI will provide hardware support for all equipment defined in the asset management system data base.

1. Providing hardware break-fix support including problem diagnosis, CGI management, problem resolution, and support of backup and recovery activities, including database restores.
2. Meeting uptime requirements defined in the Service Level Exhibit.
3. Managing and upgrading spare parts as needed by CGI to meet the Service Level MSA.
4. Continual monitoring of hardware failures including, but not limited to, memory, CPU, disk, and controllers, and promptly escalating to the SOV while executing recovery procedures as necessary.

1.2.5. Performance and Capacity Tuning

CGI will provide performance and capacity planning for server environment. CGI will maintain constant surveillance of system performance and provide immediate response to problems with

1.2.7. Network Security and Administration

The SOV will administer the appropriate approvals of all data access and system requests. CGI will perform all network modifications within the scope of the data center(s) required to maintain compliance with regulatory changes in all jurisdictions, in which CGI provides services to the SOV. As part of the fee structure, CGI will work with the SOV and its carrier providers to determine the impact of such changes identified by CGI, the carriers, or the SOV for network maintenance and modifications. Such required modifications to the network will be made through the Change Control Procedures. CGI will perform the following activities:

1. Coordinating with the SOV in order to communicate any changes to data center network hardware so that impact to users is minimized.
2. Ensuring such changes will result in updates to existing equipment or service inventories.
3. Coordinating with the SOV to determine any CGI router firmware upgrades or installations are necessary so that impact to users is minimal.
4. Being responsible for upgrading or installing network equipment at CGI location.
5. Coordinating and being responsible for all activities involved in the design and implementation of communications systems whenever CGI office space is moved, added, or remodeled.

1.2.8. Network Hardware Support

CGI will be responsible for all hardware employed for connectivity and network services between CGI's router(s) and the SOV's servers that are located in CGI data centers. CGI will interface with other the SOV suppliers to insure the compatibility and reliability of connectivity products. CGI will be responsible for preventive maintenance and will supply a test plan and conform to all existing change management policies and procedures before implementation including a complete fallback scenario.

1.2.9. Data Center Facilities

Working with the SOV, CGI will deploy physical access strategies for equipment at the CGI data centers. CGI will assure procedures are developed with adequate controls, audit trails and will respond to security violations. CGI will provide guidance and coordination for all platforms activities during equipment installations, routine maintenance, problem and crisis management. CGI will manage and maintain the building and property electrical systems, heating, ventilation, and air conditioning (HVAC) systems, physical security services, fire prevention system (FM200 or similar fire suppression system), water detection alarms and general custodial/landscape services. This includes monitoring and maintenance of the Un-interruptible Power Supply (UPS) system, air handlers and water chillers that are primary support for the computer room. Other services included in facilities management include:

1. Providing secure facilities - controlled access to the Exchange hardware and data. Facilities should include secured card access to critical areas, physical security guards, strategic placement of monitors for surveillance.

specified thresholds.

9. Obtaining end-user verification of problem resolution.
10. Closing tickets after gaining customer/user approval. Adhering to procedures for closing tickets.
11. Analyzing incident trends to determine root cause of problems.
12. Providing technical support for applications functions as appropriate.
13. Performing and closing out service requests as appropriate.
14. Utilizing the SOV-approved metrics reports to provide summarized monthly reports on service level metrics.

1.3.2. Problem Management

CGI will provide technical operations support for problem escalation and problem management. The problem management process, for the agreed system components, including third party connectivity, will be flexible and will facilitate a high degree of coordination and communication across groups and locations. Clear problem ownership will be maintained throughout the resolution process, with regular and timely progress updates communicated to the SOV in an effective manner consistent with jointly defined escalation procedures.

CGI will employ acceptable procedures for problem escalation according to agreed severity guidelines, and will implement measures to avoid recurrence of problems. CGI will identify problem trends and produce exception reporting for the agreed system components. CGI will carry out root cause analyses and reviews of high impact problems, identifying preventative measures, assessing risk and bringing problems to closure. CGI will also be responsible for the following:

1. Problem call logging, tracking, resolution, escalation, review, root cause analysis, trending, and reporting for all areas within CGI's scope of responsibility.
2. Managing and continuously improving the problem management processes so that preventative measures are implemented to reduce problems and impact to end- users.
3. Providing problem management reporting for in-scope services including measurements against service level requirements.
4. Developing and continuously improving escalation procedures in accordance with the SOV standards, resulting in improved problem resolution timeframes and less impact to the business.
5. Determining problem resolution or work-around solutions to minimize impact to users while permanent corrective action is applied.
6. Testing problem resolution to verify effectiveness of solution and to prevent reoccurring

STATE OF VERMONT CONFIDENTIAL AND PROPRIETARY
MASTER SERVICES AGREEMENT
EXHIBIT I -- FINAL

7956437v.1

EXHIBIT K

Form of Business Associate Agreement

This Business Associate Agreement ("Agreement") is effective as of the Effective Date specified below by and between _____ ("Business Associate") and the State of Vermont on behalf of itself and its agencies (the "State") for which Business Associate provides services pursuant to a Master Services Agreement entered in by and between the State and Business Associate dated as of _____ (the "MSA").

The State and Business Associate mutually agree to the terms of this Agreement in order to comply with the HIPAA Rules, as defined below.

This Agreement is effective as of _____ or the effective date of the MSA, if earlier (the "Effective Date").

1. Definitions

- (a) "Breach" shall have the same meaning as the term "Breach" in 45 CFR 164.402.
- (b) "HIPAA Rules" shall mean collectively, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, PL 111-5 (the "HITECH Act"), any regulations and guidance issued pursuant to HIPAA and/or the HITECH Act and any applicable state privacy and security laws.
- (c) "Individual" shall have the same meaning as the term "individual" in 45 CFR §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g) or other applicable federal or state law.
- (d) "Protected Health Information" or "PHI" shall have the same meaning as such term as defined in 45 CFR 160.103, but limited to information created, accessed or received on behalf of State.
- (e) "Satisfactory Background Screening" shall mean, collectively (1) national federal criminal database check; (2) seven-year county of residence criminal conviction search; and (3) in each of (1) and (2) above, containing no felony or misdemeanor conviction that related to fraud or theft (including but not limited to, shoplifting, larceny, embezzlement, forgery, credit card fraud, or check fraud), the disposition of which is within seven years, as allowed by law.
- (f) "Secure" shall mean to render unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of the HITECH Act.
- (g) "Successful Security Incident" shall mean any Security Incident (as defined in 45 CFR 164.304) that results in the unauthorized use, access, disclosure, modification or destruction of electronic Protected Health Information.

All capitalized terms used in this Agreement and not defined elsewhere herein or in the MSA shall have the same meaning as those terms as used or defined in the HIPAA Rules.

2. Obligations of Business Associate with respect to Use and Disclosure of Protected Health Information

the HIPAA Rules, will be provided by the State or Business Associate. If the State determines that notifications shall be made by Business Associate, Business Associate shall make such notifications in the time and manner specified by the HIPAA Rules and shall obtain the State's prior approval of the contents and manner of all such notifications before they are provided. The Business Associate shall maintain complete records regarding the Incident for the period required by 45 CFR 164.530(j) or such longer period required by state law, and shall make such records available to the State promptly upon request, but in no event later than within forty-eight (48) hours. Business Associate shall be responsible for all costs incurred in connection with the Incident, including but not limited to, any notifications and mitigation activities that the State reasonably determines to be necessary or appropriate. Business Associate shall not be required to report unsuccessful Security Incidents except upon the State's request, in which case such report may be in aggregate form and limited to non-trivial unsuccessful Security Incidents.

(i) Within 5 business days of receipt of a request from the State, Business Associate shall provide to the State or, at its direction, to an Individual, Protected Health Information relating to that individual held by Business Associate or its agents or subcontractors in a Designated Record Set in accordance with 45 CFR §164.524. In the event any Individual requests access to his or her Protected Health Information directly from Business Associate, Business Associate shall, within 5 business days of receipt of such request, forward the request to the State unless the Privacy Rule requires that Business Associate to receive and respond to such requests directly, in which case Business Associate shall respond directly as required by and in accordance with 45 CFR 164.524, and shall send a copy of such response to the State.

(j) Within 5 business days of receipt of a request from the State, Business Associate agrees to make any requested amendment(s) to Protected Health Information held by it or any agent or subcontractor in a Designated Record Set in accordance with 45 CFR § 164.526. In the event any individual requests an amendment to his or her Protected Health Information directly from Business Associate, Business Associate shall within 5 business days of receipt thereof, forward such request to the State.

(k) Within 10 days after Business Associate, its agents or subcontractors makes any disclosure of Protected Health Information for which an accounting may be required under 45 CFR §164.528, Business Associate agrees to provide in writing via email to allan.ruggles@state.vt.us (or such other email address as provided to Business Associate by the State), the information related to such disclosure as would be required to respond to a request by an Individual for an accounting in accordance with 45 CFR §164.528. In the event any Individual requests an accounting of his or her Protected Health Information directly from Business Associate, Business Associate shall, within 5 business days of receipt of such request, forward the request to the State unless the Privacy Rule requires or the State directs that Business Associate to receive and respond to such requests directly, in which case Business Associate shall respond directly as required by and in accordance with 45 CFR 164.528, and shall send a copy of such response to the State.

(l) Within 5 business days of receipt of a request from the State, Business Associate agrees to comply with any request for confidential communication of, or restriction on the use or disclosure of, Protected Health Information held by it or any agent or subcontractor as requested by the State and in accordance with 45 CFR 164.522.

(m) Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and

(d) Documentation of Business Associate's security assessments, including testing and any remediation efforts and CISSP safeguard certification, must be retained for a period of 6 years following (i) termination hereof and (ii) destruction or return of Protected Health Information, whichever is last to occur, or such longer period as required by applicable law.

(e) Business Associate agrees that neither it nor any of its Workforce members will place Protected Health Information on portable computing/storage devices which are not owned by Business Associate. Business Associate shall ensure that data files containing Protected Health Information are not saved on public or private computers while accessing corporate e-mail through the Internet.

(f) Business Associate shall train Workforce members on the responsibilities under this Agreement, including the responsibilities to safeguard and, where appropriate or required, Secure Protected Health Information, and consequences for failing to do so.

(g) As healthcare industry security best practices evolve to satisfy the HIPAA Rules and other applicable security standards, Business Associate agrees to adjust its safeguards accordingly so that they continue to reflect the then current industry best practices. To the extent that Business Associate has access to any part of the State's data systems, Contractor shall comply with the State's information security policies.

4. Permitted Uses and Disclosures of Protected Health Information.

(a) Business Associate agrees not to use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law. Subject to those limitations set forth in this Agreement and in the MSA, Business Associate may use and disclose Protected Health Information as necessary in order to provide its services as described in the MSA.

(b) Subject to the limitations set forth in this Agreement and in the MSA, Business Associate may use Protected Health Information if necessary for its proper management and administration or to carry out its legal responsibilities. In addition, Business Associate may disclose Protected Health Information as necessary for its proper management and administration or to carry out its legal responsibilities provided that:

(i) any such disclosure is Required by Law; or

(ii) (1) Business Associate obtains reasonable assurances, in the form of a written agreement, from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person; and (2) the person agrees to immediately notify Business Associate (which shall immediately notify State in accordance with Section 2 above) of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

(c) Business Associate may not de-identify Protected Health Information except as necessary to provide its services as described in the MSA. Business Associate is prohibited from using or disclosing such de-identified information for its own purpose without the explicit written permission of State.

fraud associated with identity theft crimes for a specific period not to exceed twelve (12) months, except to the extent applicable law specifies a longer period for such credit protection services, in which case such longer period shall then apply; (iv) cost of providing reasonable call center support for affected individuals for a specific period not less than ninety (90) days, except to the extent applicable law specifies a longer period of time for such call center support, in which case such longer period shall then apply; (v) reasonable fees associated with computer forensics work required for investigation activities related or relevant to the Incident; (vi) non-appealable fines or penalties assessed by governments or regulators; (vii) reasonable costs or fees associated with any obligations imposed by applicable law, including HIPAA, in addition to the costs and fees defined herein; and (viii) any other costs and expenses the State reasonably determines to be necessary to respond to and/or mitigate the Incident.

7. Miscellaneous

(a) Business Associate agrees to take such action as the State deems necessary to amend this Agreement from time to time to comply with the requirements of any HIPAA Rules. If Business Associate disagrees with any such amendment proposed by the State, it shall so notify the State in writing no later than 15 days after receipt of the State's notice of the amendment. If the parties are unable to agree on an amendment, the State may, at its option, terminate the MSA.

(b) A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended, and as of its effective date.

(c) Any ambiguity in this Agreement shall be resolved to permit compliance with the HIPAA Rules.

(d) The terms and conditions of this Agreement shall override and control any conflicting term or condition of the MSA. All non-conflicting terms and conditions of the MSA remain in full force and effect.

(e) The parties agree that the remedies at law for a violation of the terms of this Agreement may be inadequate and that monetary damages resulting from such violation may not be readily measured. Accordingly, in the event of a violation by either party of the terms of this Agreement, the other party shall be entitled to immediate injunctive relief. Nothing herein shall prohibit either party from pursuing any other remedies that may be available to either of them for such violation.

(f) Business Associate represents that neither it nor its agents or subcontractors will transfer, access or otherwise handle Protected Health Information outside the United States. Business Associate agrees, and shall require that its agents and contractors agree, to be subject to the laws of the United States, including the jurisdiction of the Secretary and the courts of the United States. Business Associate further agrees that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State as set forth in the MSA, and Business Associate waives any available jurisdictional defenses as they pertain to the parties' obligations under this Agreement or applicable law.

(g) During normal business hours, and with reasonable prior notice, the State or its authorized representatives may audit, monitor and inspect Business Associate's and its subcontractors' facilities and equipment and any documents, information or materials in Business Associate's or its subcontractors' possession, custody or control; interview Business Associate's employees,

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or agents as of the Effective Date.

BUSINESS ASSOCIATE

Signature _____

Typed Name _____

Title _____

Date _____

STATE OF VERMONT

Signature _____

Type Name _____

Title _____

Date _____

- Reduced Contract Term

1.1 Cost Proposal

CGI has carefully constructed a cost effective proposal to design, develop, implement and operate a Health Insurance Exchange system (the “Exchange”) to facilitate access to affordable health insurance coverage for all citizens of the State of Vermont in compliance with your RFP requirements.

This section of our proposal includes the costs to implement our solution in compliance of the federal Exchange deadlines, including the October 1, 2013 date for open enrollment and the January 1, 2014 date for full Exchange operations. Our cost proposal is based on the assumption of a base two-year contract plus two one-year options and includes the firm-fixed price one-time fees for the design, development and implementation of the Exchange solution, ongoing fees for fifteen months of mandatory Maintenance and Operations (M&O) and two years of optional M&O.

1.3 Table 5.2.2 Detailed Deliverable Cost Schedules

This cost schedule provides the firm fixed price for the development, certification and deployment of our Exchange solution. The amounts presented in this section include all services, travel, software, overhead and other costs required for CGI's scope as presented in our proposal.

The values presented in this schedule align with the actual timing of CGI's costs, based on the level of effort associated with each underlying deliverable and the timing of 3rd party software components required over the course of delivery. CGI understands that the basis for the Payment Schedule will be the Payment Deliverables that make up each broad category presented in this table. The discrete Payment Deliverables will be defined during the first 30-days of the project.

Worksheet Notes:

- ▶ Contract Start date is assumed to be 12/17/2012. A later start may affect price due to the fixed federally mandated key dates for open enrollment and full Exchange operations.
- ▶ CGI's proposed price includes an extract to CMS for Risk Management Corridor Adjustment processes, but the data collection requirements and analysis remain undefined and are not included in our proposed price

1.5 Table 5.2.4 Ongoing Operations Costs – Optional Years

This schedule provides pricing for the ongoing Maintenance and Operations of our Exchange solution during the two optional years. The fees include coverage of operations, software maintenance, fulfillment costs and hosting.

Worksheet Notes:

- ▶ The first optional year of M&O runs from 1/1/2015 through 12/31/2015
- ▶ The second optional year of M&O runs from 1/1/2016 through 12/31/2016.

Business Associate Agreement

This Business Associate Agreement ("Agreement") is effective as of the Effective Date specified below by and between CGI Technologies and Solutions Inc. ("Business Associate") and the State of Vermont on behalf of itself and its agencies (the "State") for which Business Associate provides services pursuant to a Master Services Agreement entered in by and between the State and Business Associate dated as of December 13, 2012 (the "MSA").

The State and Business Associate mutually agree to the terms of this Agreement in order to comply with the HIPAA Rules, as defined below.

This Agreement is effective as of the Effective Date of the MSA (the "Effective Date").

1. Definitions

- (a) "Breach" shall have the same meaning as the term "Breach" in 45 CFR 164.402.
- (b) "HIPAA Rules" shall mean collectively, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, PL 111-5 (the "HITECH Act"), any regulations and guidance issued pursuant to HIPAA and/or the HITECH Act and any applicable state privacy and security laws.
- (c) "Individual" shall have the same meaning as the term "individual" in 45 CFR §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g) or other applicable federal or state law.
- (d) "Protected Health Information" or "PHI" shall have the same meaning as such term as defined in 45 CFR 160.103, but limited to information created, accessed or received on behalf of State.
- (e) "Satisfactory Background Screening" shall mean, collectively (1) national federal criminal database check; (2) seven-year county of residence criminal conviction search; and (3) in each of (1) and (2) above, containing no felony or misdemeanor conviction that related to fraud or theft (including but not limited to, shoplifting, larceny, embezzlement, forgery, credit card fraud, or check fraud), the disposition of which is within seven years, as allowed by law.
- (f) "Secure" shall mean to render unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued under section 13402(h)(2) of the HITECH Act.
- (g) "Successful Security Incident" shall mean any Security Incident (as defined in 45 CFR 164.304) that results in the unauthorized use, access, disclosure, modification or destruction of electronic Protected Health Information.

All capitalized terms used in this Agreement and not defined elsewhere herein or in the MSA shall have the same meaning as those terms as used or defined in the HIPAA Rules.

2. Obligations of Business Associate with respect to Use and Disclosure of Protected Health Information

the HIPAA Rules, will be provided by the State or Business Associate. If the State determines that notifications shall be made by Business Associate, Business Associate shall make such notifications in the time and manner specified by the HIPAA Rules and shall obtain the State's prior approval of the contents and manner of all such notifications before they are provided. The Business Associate shall maintain complete records regarding the Incident for the period required by 45 CFR 164.530(j) or such longer period required by state law, and shall make such records available to the State promptly upon request, but in no event later than within forty-eight (48) hours. Business Associate shall be responsible for all costs incurred in connection with the Incident, including but not limited to, any notifications and mitigation activities that the State reasonably determines to be necessary or appropriate. Business Associate shall not be required to report unsuccessful Security Incidents except upon the State's request, in which case such report may be in aggregate form and limited to non-trivial unsuccessful Security Incidents.

(i) Within 5 business days of receipt of a request from the State, Business Associate shall provide to the State or, at its direction, to an Individual, Protected Health Information relating to that individual held by Business Associate or its agents or subcontractors in a Designated Record Set in accordance with 45 CFR §164.524. In the event any Individual requests access to his or her Protected Health Information directly from Business Associate, Business Associate shall, within 5 business days of receipt of such request, forward the request to the State unless the Privacy Rule requires that Business Associate to receive and respond to such requests directly, in which case Business Associate shall respond directly as required by and in accordance with 45 CFR 164.524, and shall send a copy of such response to the State.

(j) Within 5 business days of receipt of a request from the State, Business Associate agrees to make any requested amendment(s) to Protected Health Information held by it or any agent or subcontractor in a Designated Record Set in accordance with 45 CFR § 164.526. In the event any individual requests an amendment to his or her Protected Health Information directly from Business Associate, Business Associate shall within 5 business days of receipt thereof, forward such request to the State.

(k) Within 10 days after Business Associate, its agents or subcontractors makes any disclosure of Protected Health Information for which an accounting may be required under 45 CFR §164.528, Business Associate agrees to provide in writing via email to allan.ruggles@state.vt.us (or such other email address as provided to Business Associate by the State), the information related to such disclosure as would be required to respond to a request by an Individual for an accounting in accordance with 45 CFR §164.528. In the event any Individual requests an accounting of his or her Protected Health Information directly from Business Associate, Business Associate shall, within 5 business days of receipt of such request, forward the request to the State unless the Privacy Rule requires or the State directs that Business Associate to receive and respond to such requests directly, in which case Business Associate shall respond directly as required by and in accordance with 45 CFR 164.528, and shall send a copy of such response to the State.

(l) Within 5 business days of receipt of a request from the State, Business Associate agrees to comply with any request for confidential communication of, or restriction on the use or disclosure of, Protected Health Information held by it or any agent or subcontractor as requested by the State and in accordance with 45 CFR 164.522.

(m) Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and

(d) Documentation of Business Associate's security assessments, including testing and any remediation efforts and CISSP safeguard certification, must be retained for a period of 6 years following (i) termination hereof and (ii) destruction or return of Protected Health Information, whichever is last to occur, or such longer period as required by applicable law.

(e) Business Associate agrees that neither it nor any of its Workforce members will place Protected Health Information on portable computing/storage devices which are not owned by Business Associate. Business Associate shall ensure that data files containing Protected Health Information are not saved on public or private computers while accessing corporate e-mail through the Internet.

(f) Business Associate shall train Workforce members on the responsibilities under this Agreement, including the responsibilities to safeguard and, where appropriate or required, Secure Protected Health Information, and consequences for failing to do so. □

(g) As healthcare industry security best practices evolve to satisfy the HIPAA Rules and other applicable security standards, Business Associate agrees to adjust its safeguards accordingly so that they continue to reflect the then current industry best practices. To the extent that Business Associate has access to any part of the State's data systems, Contractor shall comply with the State's information security policies.

4. Permitted Uses and Disclosures of Protected Health Information.

(a) Business Associate agrees not to use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law. Subject to those limitations set forth in this Agreement and in the MSA, Business Associate may use and disclose Protected Health Information as necessary in order to provide its services as described in the MSA.

(b) Subject to the limitations set forth in this Agreement and in the MSA, Business Associate may use Protected Health Information if necessary for its proper management and administration or to carry out its legal responsibilities. In addition, Business Associate may disclose Protected Health Information as necessary for its proper management and administration or to carry out its legal responsibilities provided that:

(i) any such disclosure is Required by Law; or

(ii) (1) Business Associate obtains reasonable assurances, in the form of a written agreement, from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person; and (2) the person agrees to immediately notify Business Associate (which shall immediately notify State in accordance with Section 2 above) of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

(c) Business Associate may not de-identify Protected Health Information except as necessary to provide its services as described in the MSA. Business Associate is prohibited from using or disclosing such de-identified information for its own purpose without the explicit written permission of State.

fraud associated with identity theft crimes for a specific period not to exceed twelve (12) months, except to the extent applicable law specifies a longer period for such credit protection services, in which case such longer period shall then apply; (iv) cost of providing reasonable call center support for affected individuals for a specific period not less than ninety (90) days, except to the extent applicable law specifies a longer period of time for such call center support, in which case such longer period shall then apply; (v) reasonable fees associated with computer forensics work required for investigation activities related or relevant to the Incident; (vi) non-appealable fines or penalties assessed by governments or regulators; (vii) reasonable costs or fees associated with any obligations imposed by applicable law, including HIPAA, in addition to the costs and fees defined herein; and (viii) any other costs and expenses the State reasonably determines to be necessary to respond to and/or mitigate the Incident.

7. Miscellaneous

(a) Business Associate agrees to take such action as the State deems necessary to amend this Agreement from time to time to comply with the requirements of any HIPAA Rules. If Business Associate disagrees with any such amendment proposed by the State, it shall so notify the State in writing no later than 15 days after receipt of the State's notice of the amendment. If the parties are unable to agree on an amendment, the State may, at its option, terminate the MSA.

(b) A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended, and as of its effective date.

(c) Any ambiguity in this Agreement shall be resolved to permit compliance with the HIPAA Rules.

(d) The terms and conditions of this Agreement shall override and control any conflicting term or condition of the MSA. All non-conflicting terms and conditions of the MSA remain in full force and effect.

(e) The parties agree that the remedies at law for a violation of the terms of this Agreement may be inadequate and that monetary damages resulting from such violation may not be readily measured. Accordingly, in the event of a violation by either party of the terms of this Agreement, the other party shall be entitled to immediate injunctive relief. Nothing herein shall prohibit either party from pursuing any other remedies that may be available to either of them for such violation.

(f) Business Associate represents that neither it nor its agents or subcontractors will transfer, access or otherwise handle Protected Health Information outside the United States. Business Associate agrees, and shall require that its agents and contractors agree, to be subject to the laws of the United States, including the jurisdiction of the Secretary and the courts of the United States. Business Associate further agrees that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State as set forth in the MSA, and Business Associate waives any available jurisdictional defenses as they pertain to the parties' obligations under this Agreement or applicable law.

(g) During normal business hours, and with reasonable prior notice, the State or its authorized representatives may audit, monitor and inspect Business Associate's and its subcontractors' facilities and equipment and any documents, information or materials in Business Associate's or its subcontractors' possession, custody or control; interview Business Associate's employees,

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or agents as of the Effective Date.

CGI TECHNOLOGIES
AND SOLUTIONS, INC.

STATE OF VERMONT

E-SIGNED by Gregg Mossburg
on 2012-Dec-14
Signature _____

E-SIGNED by Mark Larson
on 2012-Dec-14
Signature _____

Typed Name Gregg Mossburg

Type Name Mark Larson

Title Senior Vice President

Title Commissioner, DVHA

Date 2012-12-14 16:31:46 GMT

Date 2012-12-14 16:50:15 GMT

Statement of Work No. 1

This Statement of Work Number 1 ("**Statement of Work**" or "**SOW**") is issued pursuant to the Master Services Agreement dated as of December 13, 2012 (the "**MSA**") between State of Vermont ("**SOV**") and CGI Technologies and Solutions Inc. ("**Supplier**"). This Statement of Work incorporates the terms and conditions of the MSA as if the MSA were fully set forth in the text of this Statement of Work. Capitalized terms not defined in this Statement of Work are defined in the MSA.

1. **EFFECTIVE DATE AND TERM OF THIS STATEMENT OF WORK.**

This Statement of Work is effective as of December 17, 2012 ("**Statement of Work Effective Date**") and shall continue through December 31, 2014, which shall constitute the "**Statement of Work Term**". The Statement of Work Term may be extended for up to two (2) one-year periods, at the option of SOV.

2. **SERVICES TO BE PERFORMED AND SCHEDULE OF PERFORMANCE.**

A. **Scope of Services**

The Supplier will provide (i) IT Services based on the Requirement Traceability Matrix ("**RTM**") attached here as Schedule A to SOW and incorporated herein by reference and the (ii) Hosting Services described in Exhibit I. Additional specificity regarding the scope of Services is provided for in Exhibit E (Scope Assumptions) to the MSA. As described in Section 17 below, the scope of Services will be further developed and refined by mutual agreement of the parties by February 1, 2013, or such other date mutually agreed by the parties pursuant to a Change Order ("**Revised Scope Date**").

B. **Location of Services**

Supplier will perform Services under this SOW at a SOV provided facility. Supplier will also perform testing services at its facility in Belton, Texas. All Hosting Services will be located in the U.S.

C. **Deliverables and Work Product**

The list of Deliverables is included in Exhibit L attached to the MSA (including a cost schedule and an executive summary). Additional details regarding the deliverables and work product will be documented in the Project Management Plan ("**PMP**") that will be developed by the Revised Scope Date.

D. **Milestone Schedule**

A preliminary VT project schedule has been developed and will be revised, reviewed and approved by both parties by the Revised Scope Date. Supplier will provide the Services in accordance with the timeframes set forth in the project schedule. A list of Critical Milestones subject to liquidated damages is included in Exhibit C.

E. **Acceptance Criteria and Process**

The Deliverable acceptance criteria and process will be set forth in the PMP.

F. **Supplier Personnel**

Supplier expects to engage Exeter Consulting (and its affiliates) to configure the OneGate product. The final scope of the subcontractor configuration work will be set forth in the PMP and the revised RTM.

6. **SOFTWARE.**

A. **Third Party Software provided by Supplier**

Subject to the terms and conditions of the MSA, Supplier will procure the following Third Party Software for SOV (the licenses for which will be directly between Supplier and the respective third party vendor):

Liferay,
OneGate
Thunderhead

B. **Third Party Software provided by SOV.**

SOV will provide licenses for Oracle products and will pay maintenance on those products during the term of the SOW.

7. **HARDWARE.**

Not applicable at this time

8. **THIRD PARTY CONTRACTS.**

NONE AT THIS TIME.

9. **SERVICE LEVELS.**

See Exhibit D attached to the MSA.

10. **SECURITY, DISASTER RECOVERY, BUSINESS CONTINUITY PROCEDURES, CONTROLS**

See MSA and Exhibit D (Service Levels) and Exhibit J (Supplier Contingency Plans) attached to the MSA.

11. **FORECASTING**

Any forecasting needed will be set forth in in the PMP.

12. **FACILITIES TO BE PROVIDED BY SUPPLIER.**

Not applicable.

13. **ASSUMPTIONS.**

A. See Exhibit E (Scope Assumptions) attached to the MSA.

Appendix A: Business and Technical Requirements and Matrix

Instructions the Requirements Response Matrix

The appropriate codes are provided in the table below, for each requirements listed in each of the four (4) tabs included in this Requirements Response Matrix

- Individual Eligibility Requirements
- Individual Enrollment Requirements
- Plan Management Requirements
- SHOP Requirements
- Financial Management Requirements
- Administrative Requirements
- Reporting Requirements
- Noticing Requirements
- Technical Requirements
- Web Portal UX Requirements
- Consumer Assistance - General Requirements
- Consumer Assistance - Case Management Requirements
- Consumer Assistance - Navigator Requirements

For each requirement listed, the corresponding Proposal section reference explains the response.

The matrix also provides a column where additional comments/clarifications are provided related to a specific requirements response

Code	Condition	Description
S	Standard Function	The proposed system fully satisfies the requirement as stated. The vendor must explain how the requirement is satisfied by the system.
W	Workflow or System Configuration Required	Current functionality of the proposed system exists in the system and can be modified by a system administrator to meet this requirement.
M	Modification Required	The proposed system requires a modification to existing functionality to meet this requirement which requires a source code modification. The system will be modified to satisfy the requirements as stated or in a different format. The vendor must explain the modifications and include the cost of all modifications above and beyond the base cost in the <i>Project Cost Proposal</i> .
F	Planned for Future Release	This functionality is planned for a future release. The vendor must explain how the requirement will be satisfied by the system and when the release will be available.
C	Custom Design and Development	The proposed system requires new functionality to meet this requirement which requires a source code addition. The vendor must explain the feature and its value, and include any cost above and beyond the base cost in the <i>Project Cost Proposal</i> .
N	Cannot Meet Requirement	The proposed system will not satisfy the requirement. The vendor must explain why the requirement cannot be satisfied.
O	Other Software	If the requirement is to be satisfied through the use of a separate software package(s), vendors must identify those package(s) and describe how the functionality is integrated into the base system.